136–142 New Kent Road, Elephant & Castle
in the London Borough of Southwark
planning application no. 17/AP/3910

Strategic planning application stage 1 referral

The proposal
Redevelopment to provide a part 15 storey, part 9 storey, part 6 storey and part 2 storey mixed-use building providing 85 residential units, 1,241 sq.m. of flexible business floor space/community space and 597 sq.m. of retail floor space. The proposal includes a new pedestrian route through the site linking New Kent Road with Munton Road.

The applicant
The applicant is Gralaw One Ltd and Capital Homes, and the architect is Collado Collins.

Strategic issues summary
**Land use principle:** mixed-use redevelopment of this site in the Elephant & Castle Opportunity Area and Central Activities Zone is supported. However, the applicant must commit to no net loss of employment floorspace and address concerns over the quality of the space. (paragraphs 12–16)

**Affordable housing:** 35% by habitable room, with a 50:50 split between affordable rent and shared ownership. GLA officers will robustly scrutinise the applicant’s viability assessment. The use of grant should be explored and modelled to increase the offer. Concerns over affordability also need to be addressed. Early implementation and late stage review mechanisms should be secured if the draft London Plan 50% threshold is not met. (paragraphs 17–21)

**Urban design:** generally supported; concerns regarding the quality and generosity of the pedestrian route through the scheme should be addressed. (paragraphs 24-32)

Recommendation
That Southwark Council be advised that the application does not comply with the London Plan and draft London Plan, for the reasons set out in paragraph 44 of this report. However, the resolution of those issues could lead to the application becoming compliant with the London Plan and draft London Plan.
Context

1 On 7 November 2017 the Mayor of London received documents from Southwark Council notifying him of a planning application of potential strategic importance to develop the above site for the above uses. Under the provisions of The Town & Country Planning (Mayor of London) Order 2008 the Mayor has until 25 December 2017 to provide the Council with a statement setting out whether he considers that the application complies with the London Plan, and his reasons for taking that view. The Mayor may also provide other comments. This report sets out information for the Mayor’s use in deciding what decision to make.

2 The application is referable under the following categories of the Schedule to the Order 2008:

- Category 1C: Development which comprises or includes the erection of a building more than 30 metres high and outside the City of London.

3 Once Southwark Council has resolved to determine the application, it is required to refer it back to the Mayor for his decision as to whether to direct refusal; take it over for his own determination; or allow the Council to determine it itself.

4 The Mayor of London’s statement on this case will be made available on the GLA website www.london.gov.uk.

Site description

5 The 0.2 hectare site, also known as Surdaw House is located approximately 500 metres from Elephant & Castle roundabout. Three buildings currently occupy the site, two double height commercial units operated as a tyre renewal centre front on to New Kent Road and a warehouse unit sits at the rear of the site. The remainder of the site is utilised for parking. The site is located within the Central Activities Zone, Elephant & Castle Opportunity Area and Town Centre, as well as the Old Kent Road and Peckham Housing Zone.

6 Immediately adjacent to the site on both sides are residential blocks. There are no listed buildings on the site but buildings within close proximity of the site are listed, including the Georgian terrace at 154-170 New Kent Road and Driscoll House, which are Grade II listed.

7 In terms of transport accessibility, the site is within walking distance of a wide range of public transport services at Elephant and Castle. The public transport accessibility level (PTAL) is the highest possible, at 6b. The site is also well connected to the local and strategic cycle network, including the nearby north-south cycle superhighway (CS6) and CS7 to the City.

Details of the proposal

8 This application seeks full planning permission for the redevelopment of the site to provide 85 residential units and commercial floorspace on the ground and basement floors in buildings up to 15 storeys in height. A new pedestrian route would be created under the building linking New Kent Road and Munton Road.

Case history

9 There is no history of referable planning applications on this site. A pre-application meeting was held on with GLA officers on 1 June 2017. As part of these discussions, GLA officers raised concerns and queries over the loss of employment floorspace, affordable housing, layout and residential quality.
Strategic planning issues and relevant policies and guidance

10 For the purposes of Section 38(6) of the Planning and Compulsory Purchase Act 2004, the development plan in force for the area is the Core Strategy (2011), Saved Southwark Plan Policies (2007) and New Southwark Plan (proposed submission) (November 2017), as well as the 2016 London Plan (Consolidated with Alterations since 2011).

11 The following are relevant material considerations:

- The National Planning Policy Framework;
- National Planning Practice Guidance;
- Draft London Plan (Consultation draft December 2017); and

12 The relevant issues and corresponding policies are as follows:

- Land use principle: London Plan; draft London Plan; OAPF; CAZ SPG, Town Centres SPG;
- Housing and affordable housing: London Plan; draft London Plan; Affordable Housing & Viability SPG; Housing SPG; Providing for Children and Young People’s Play and Informal Recreation SPG; the Mayor’s draft Housing Strategy;
- Urban design: London Plan; draft London Plan; Character and Context SPG; OAPF;
- Inclusive design: London Plan; draft London Plan;Accessible London: achieving an inclusive environment SPG;
- Sustainable development: London Plan; draft London Plan; Sustainable Design and Construction SPG;
- Transport and parking: London Plan; draft London Plan; the Mayor’s draft Transport Strategy.

Land use principle

12 The site lies in the Central Activities Zone (CAZ) and in the Elephant & Castle Opportunity Area, where a development capacity for a minimum of 5,000 homes and 10,000 jobs has been identified in the draft London Plan. It also falls in Elephant & Castle Town Centre that is classified as a major town centre in the draft London Plan. Furthermore, it is part of the Old Kent Road and Peckham Housing Zone, where new homes are encouraged. The site was identified as an opportunity site within the Elephant & Castle Opportunity Area SPD/OAPF but this allocation has not been taken forward in the draft New Southwark Plan due to the limited site area and limited development potential as a strategic development site. Notwithstanding this, given the location within the CAZ, Opportunity Area, Town Centre and Housing Zone, the redevelopment of the site for mixed-use development including housing and replacement employment space is strongly supported in principle in line with strategic planning policy.

Employment

13 Draft London Plan Policy E7 supports mixed-use or residential development proposals on non-designated industrial sites either as part of a plan-led approach or subject to the intensification of industrial uses as a co-location. The proposed employment space would be a B1 use targeted towards SMEs and it is not proposed to replace the existing warehouse and car repair uses, or
provide alternative industrial space. However, given the site’s location on a main frontage within the CAZ and Major Town Centre, this is considered an appropriate replacement employment offer in principle.

14 The proposal would result in a reduction in the amount of employment floorspace on the site of 506 sq.m. and this could reduce further should a D1 use come forward as part of the flexible permission sought. The loss of employment floorspace in the CAZ is a concern in the context of draft London Plan Policy SD4 and Southwark’s Local Plan. The quantum of employment floorspace must therefore be increased to ensure that there is no net loss as a minimum. There are also concerns over the quality of the proposed space, a significant proportion of which would be located at basement level. GLA officers welcome further discussions over how to improve the quality of the employment offer, such as by moving some accommodation up from basement to first floor level.

Retail and community

15 The retail units would be located on New Kent Road frontage to assist in providing activity and animation to the street, which is supported. Whilst the principle of new retail and community uses in Elephant & Castle Town Centre is supported in accordance with London Plan Policies 2.15 and 4.7 and draft London Plan Policies SD8 and E9, given the requirement to ensure that employment (B class) uses are re-provided within the scheme as a priority, GLA officers will engage with the applicant and the Council regarding the most appropriate non-residential uses on this site.

Housing

16 The proposal will contribute to meeting the borough’s draft London Plan minimum annual housing target of 2,554 new homes to be delivered by 2028/9. This is supported and would contribute to the objectives of the London Plan and draft London Plan to deliver new homes in London and in the Opportunity Area.

Affordable housing

17 London Plan Policies 3.11 and 3.12 and draft London Plan Policies H5 and H6 seek to maximise the delivery of affordable housing, with the Mayor setting a clear strategic target of 50%.

18 The applicant proposes 29 affordable units, 14 of which would be for affordable rent and 15 shared ownership. This equates to 35% provision by habitable room with a roughly 50:50 split between the two tenures. As the application proposes development on industrial land, draft London Plan Policy H6 requires 50% affordable housing to be delivered in order for the scheme to benefit from the fast track route. Accordingly, GLA officers will work with the Council to robustly interrogate the applicant’s viability assessment and maximise affordable housing delivery. Furthermore, the applicant should investigate the use of grant funding to increase the proportion further and early and late stage review mechanisms should be secured in line with draft London Plan Policies H5 and H6, should the 50% threshold (without public funding) not be met. GLA officers are working with the Council and applicant to ensure that the full viability assessment is publicly available, in accordance with the Mayor’s Affordable Housing & Viability SPG and Policy H6 of the draft London Plan.

19 Whilst the tenure split is broadly in accordance with Southwark Council’s Local Plan and provides at least 30% low cost rented and at least 30% intermediate provision in accordance with Policy H7 of the draft London Plan and the Mayor’s Affordable Housing & Viability SPG, the proposed tenures require further review to ensure they conform to the Mayor’s requirements with regard to affordability, noting also the Council’s preferred tenure. The affordable rented units are
currently proposed at 80% of market rent or at LHA caps, whichever is the lower; however the applicant should have regard to Local Plan preferred tenure of social rent and the Mayor’s preferred rented tenure of London Affordable Rent. A review of the affordability of the rented accommodation will therefore be undertaken as part of the robust interrogation of the applicant’s viability assessment.

20 The shared ownership units would be provided at a range of income thresholds below the £90,000 benchmark in the AMR, as set out below:

- One bedroom units to be affordable to those with household incomes of up to £46,136pa;
- Two bedroom units to be affordable to those with household incomes of up to £54,513pa;
- Three bedroom units to be affordable to those with household incomes of up to £63,281pa.

21 Whilst this is welcomed, the affordability of the 3 bedroom units is a concern given the likely market values. The applicant should therefore amend the unit mix to prioritise family units within the rented tenure.

Housing mix

22 The proposed residential mix is set out in the below table. The mix responds positively to the requirements of draft London Plan Policy H12 by providing a range of unit types appropriate to this highly accessible location, which is welcomed. As mentioned above, the applicant should amend the mix to prioritise family affordable rented housing.

<table>
<thead>
<tr>
<th>unit type</th>
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<td>46</td>
</tr>
<tr>
<td>2 bed</td>
<td>36</td>
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</tr>
<tr>
<td>3 bed</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>total</td>
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Play space

23 London Plan Policy 3.6 and draft London Plan Policy S4 seeks to ensure that development proposals include suitable play provision for all ages, of at least 10 sq.m. per child. Further detail is provided in the Mayor’s Shaping Neighbourhoods: Play and Informal Recreation SPG. The scheme makes provision for all age groups on site and at 165 sq.m. meets the minimum requirements. Play space for 0-11 year olds would be provided in the private amenity courtyards. The play space would be easily accessible and safe to use and it would also incorporate green planting. The approach to children’s play space therefore accords with London Plan and draft London Plan Policy and is supported. The Council should secure details of the play space design by condition.

Urban design

Density

24 Draft London Plan Policy D6 requires developments to make the most efficient use of land and to optimise density, using an assessment of site context and a design-led approach to determine site capacity. The scheme would have a net density of 531 units per hectare and 1,163 habitable rooms per hectare. This exceeds the top of the guidance ranges in Table 3.3 of the London Plan and thresholds for increased scrutiny of design quality set out in draft London Plan Policy D6 (Part C). As such, given the high density of the development, the housing quality must be of the highest
standards and provide the fullest contribution to affordable housing. As discussed in more detail in paragraphs 31-32 below, the housing quality is considered to be high, which is welcomed. Furthermore, the applicant should submit a management plan detailing day-to-day servicing and delivery arrangements and long-term maintenance implications, in accordance with paragraph 3.6.8 of the draft London Plan. The agreed plan should be secured by condition.

25 In summary, the density proposed could be considered acceptable, subject to the scheme meeting the requirements of draft London Plan Policies D4 and D6C as detailed above.

**Layout**

26 The scheme provides a generous building set back from New Kent Road, aligning with the established building lines of adjacent sites. This allows for a high quality piece of public realm which is a significant improvement on neighbouring frontages that are dominated by car parking, which is supported. The applicant has responded positively to comments made a pre-application stage by increasing the amount of active frontage, which is welcomed. A pedestrian route through the scheme linking New Kent Road and Munton Road has also been introduced. This would improve north-south permeability and is broadly supported in principle, although there are concerns over the quality and generosity of this route and GLA officers question whether it would be welcoming and legible. The applicant should explore how this route can be widened and straightened, as well as reducing the extent of lightwells encroaching onto it.

**Height, scale, massing and heritage**

27 The height has been reduced by three storeys since pre-application discussions and the applicant has demonstrated that the scale of development would step down from the taller buildings around Elephant & Castle towards the low rise context to the east. The proposed tall buildings comply with the plan-led approach set out in draft London Plan Policy D8 and are acceptable in principle, subject to detailed consideration of the heritage impact, quality of architecture and environmental effects.

28 The scheme falls within the wider background setting of strategic views 1A.2 and 23A.1 as identified in the London View Management Framework (LVMF). The applicant states that, owing the height of the proposals, they would not project above the assessment plane, but this should be confirmed through a detailed assessment using the methodology set out in the LVMF SPG.

29 The application proposes development which could affect the setting of the Grade II listed 154-170 New Kent Road and Driscoll House. Verified views have been submitted from a number of positions, including showing the setting of these buildings, which confirm that the development would be clearly visible above the buildings in the background. However, it would be seen in the context of other tall buildings in the Elephant & Castle Opportunity Area and would incorporate high quality architecture that would not detract from the regular rhythm of the listed terrace or the imposing form of Driscoll House. As such, having applied the statutory tests for dealing with heritage assets set out in the Planning (Listed Buildings and Conservation Areas) Act 1990 and the guidance in the NPPF, GLA officers consider, having had special regard to the desirability of preserving the listed building’s setting, that the proposal preserves the setting of the nearby listed buildings. As such there would be no harm to the setting of heritage assets as a result of the proposal.

**Architectural quality**

30 A simple gridded composition of contrasting brickwork is proposed with visual interest and relief in the facades created by recesses and angled elements. The design approach is supported and should ensure high quality architecture, although in accordance with draft London Plan Policy D2 the
Council should ensure that appropriate controls are in place to secure a high quality materials and detailing.

**Housing quality**

31 The residential layouts would ensure that there would be no more than 6 units per core and maximise dual aspect units, with no single aspect north facing flats. Floor to ceiling heights would be a minimum of 2.5 metres and all units would comply with the draft London Plan Table 3.1 for internal space and draft London Plan Policy D4 standards for external amenity space. The residential quality of the scheme is therefore supported.

32 In accordance with Policy D11 (fire safety) of the draft London Plan, the Council should secure an informative requiring the submission of a fire statement, produced by a third party suitable qualified assessor, to be submitted to and agreed with the London Fire Brigade.

**Inclusive design**

33 In accordance with London Plan Policy 3.8 and draft London Plan Policy D5, all of the residential units will meet Building Regulation M4(2) standards, and 10% of the units will be designed to be fully adaptable and adjustable to wheelchair users (M4(3) standards). The Council should secure details of compliance with Building Regulations M4 (2) and M4 (3) by condition.

**Climate change**

34 A range of energy efficiency measures are proposed. Consideration has been given to how demand for cooling will be minimised and an overheating analysis has been carried out. The applicant has not identified a proposed heat network in the vicinity of the development but has provided a commitment to connect to a potential district heating network in the future. The applicant has investigated the feasibility of a range of renewable energy technologies and is proposing to install air source heat pumps and photovoltaic panels.

35 An on-site reduction of 36 tonnes of carbon dioxide per year in regulated emissions compared to a 2013 Building Regulations compliant development is expected for the residential element and 18 tonnes for the commercial. This is equivalent to an overall saving of 35%. The carbon dioxide savings fall short of the zero-carbon target within Policy 5.2 of the London Plan and Policy SI2 of the draft London Plan for the residential element of the scheme. The applicant should address the detailed comments that have been provided, and once all measures to minimise on-site carbon savings have been exhausted, an appropriate contribution to the borough’s carbon offset fund should be secured.

**Transport**

36 Due to the size, location and nature of the proposal, there is unlikely to be a significant adverse strategic transport impact. The development will contribute towards the Elephant & Castle London Underground Northern line station ticket hall upgrade via the borough CIL, and towards Crossrail/Elizabeth line via the Mayoral CIL payment.

37 The site is on New Kent Road, part of the Transport for London Road Network (TLRN). The applicant has responded positively to comments made at pre-application stage regarding servicing arrangements, which are now acceptable. The applicant will need to enter into a S278 agreement with TfL to alter or improve the site access and footway on the New Kent Road frontage.

38 The car free (with the exception of Blue Badge bays) nature of the scheme is supported. Cycle parking is proposed at a level higher than draft London Plan standards, which is welcomed.
Funding for local cycle hire expansion should be secured in the S106 agreement, in line with London Plan Policy 6.9 and draft London Plan Policy T9.

39 The site lies in the proposed Bakerloo Line Extension (BLE) corridor. As such, a condition should be imposed that requires the applicant to consult the TfL BLE team if the foundation depth is greater than 15 metres. This accords with London Plan Policy 6.2 and draft London Plan Policy T3.

40 A delivery and servicing plan and construction logistics plan should be secured by the Council by condition or S106 agreement as appropriate.

Local planning authority’s position

41 The Council planning officers are assessing the application and have identified concerns regarding the principle of a tall building, the affordable housing mix and tenure, and potential daylight and sunlight impact on neighbouring properties.

Legal considerations

42 Under the arrangements set out in Article 4 of the Town and Country Planning (Mayor of London) Order 2008 the Mayor is required to provide the local planning authority with a statement setting out whether he considers that the application complies with the London Plan, and his reasons for taking that view. Unless notified otherwise by the Mayor, the Council must consult the Mayor again under Article 5 of the Order if it subsequently resolves to make a draft decision on the application, in order that the Mayor may decide whether to allow the draft decision to proceed unchanged, or direct the Council under Article 6 of the Order to refuse the application, or issue a direction under Article 7 of the Order that he is to act as the local planning authority for the purpose of determining the application and any connected application. There is no obligation at this present stage for the Mayor to indicate his intentions regarding a possible direction, and no such decision should be inferred from the Mayor’s statement and comments.

Financial considerations

43 There are no financial considerations at this stage.

Conclusion

44 London Plan and draft London Plan policies on Opportunity Areas, employment, housing, urban design, inclusive design, climate change and transport are relevant to this application. The application is not compliant with the London Plan and draft London Plan, but could become compliant with the London Plan and draft London Plan if the following matters are resolved:

- **Land use principle:** mixed-use redevelopment of this site in the Elephant & Castle Opportunity Area and Central Activities Zone is supported. However, the applicant should ensure no net loss of employment floorspace and address outstanding concerns regarding the quality of the replacement employment space, in line with London Plan Policy 2.13, draft London Plan Policies SD1, SD4, SD8 and E7, and the Elephant & Castle Opportunity Area Planning Framework.

- **Affordable housing:** 35% by habitable room, with a 50:50 split between affordable rent and shared ownership. GLA officers will robustly scrutinise the applicant’s viability assessment. The use of grant should be explored and modelled to increase the offer. Concerns over affordability also need to be addressed. Early implementation and late stage review mechanisms should be
secured if the 50% threshold is not met, in accordance with the Mayor’s Affordable Housing & Viability SPG and draft London Plan Policies H5 and H6.

- **Urban design**: generally supported; however the concerns regarding the quality and generosity of the pedestrian route through the scheme should be addressed. This is to ensure compliance with London Plan Policies 7.1, 7.2 and 7.5 and draft London Plan Policies D2, D6 and D7.

- **Climate change**: the energy strategy does not fully accord with London Plan Policy 5.2 and draft London Plan Policy SI2. Further information regarding overheating is required. The final agreed energy strategy should be appropriately secured by the Council, along with contributions towards off-site mitigation.

- **Transport**: in order to comply with London Plan Policies 6.2, 6.7, 6.9 and 6.14, and draft London Plan Policies T3, T5, T7 and T9, the applicant should undertake highway works through a S278 agreement, a contribution towards cycle hire should be secured, along with construction logistics and delivery and servicing plans.

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