Land to the rear of 1-51 Peckham High Street
in the London Borough of Southwark

planning application no: 16/AP/4018

<table>
<thead>
<tr>
<th>Strategic planning application stage II referral</th>
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<tr>
<th>The proposal</th>
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<tbody>
<tr>
<td>Redevelopment of the site to deliver 168 residential dwellings and 247 sq.m. of flexible retail floorspace. The works include the conversion and extension of Sumner House and the construction of new blocks in buildings of up to six storeys.</td>
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<thead>
<tr>
<th>The applicant</th>
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<tr>
<td>The applicant is Southwark Council and the architect is Levitt Bernstein.</td>
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<table>
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<tr>
<th>Key dates</th>
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| **Stage 1 report:** 30 January 2017  
**Committee meeting:** 28 March 2017 |

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<tr>
<th>Strategic issues summary</th>
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| **Housing:** provision of 74% affordable housing by habitable room with housing grant. 35% affordable housing without grant and an early stage review mechanism has been secured in accordance with the Mayor’s Affordable Housing and Viability SPG.  
**Design:** Revisions received and design issues addressed  
**Climate change:** outstanding issues relating to energy verification and drainage have been addressed and a carbon off-set payment secured.  
**Transport:** conditions and obligations secured in relation to parking permits, cycle hire, travel plan, delivery and servicing plan and construction logistics plan. |

<table>
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<th>The Council’s decision</th>
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<tr>
<td>Southwark Council has resolved to grant permission, subject to conditions and a section 106 legal agreement.</td>
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<tr>
<th>Recommendation</th>
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<td>That Southwark 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.</td>
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Context

1. On 21 December 2016, 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. This was referred under Categories 1A and 1B of the Schedule to the Order 2008:

   - **1A:** Development which comprises or includes the provision of more than 150 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.

2. On 30 January 2017, the Mayor considered planning report ref: D&P/4169/01 and subsequently advised Southwark Council that whilst the principle of residential development is supported, the application did not comply with the London Plan for the reasons set out in paragraph 54 of the report; but that the possible remedies set out in that paragraph could address those 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. On 28 March 2017, Southwark Council decided that it was minded to grant planning permission, subject to conditions, and on 06 March 2018 it advised the Mayor of this decision. 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 Southwark Council under Article 6 to refuse the application or issue a direction to Southwark Council under Article 7 that he is to act as the Local Planning Authority for the purposes of determining the application. The Mayor has until 19 March 2017 to notify the Council of his decision and to issue any direction.

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

Consultation stage issues summary

5. At the initial consultation stage, Southwark Council was advised that the application did not comply with the London Plan for the reasons set out below. The Council was advised that the resolution of these issues could lead to the application becoming compliant with the London Plan.

   - **Affordable Housing:** 74% by habitable room onsite. The high proportion of affordable housing is strongly supported. Further information on grant and affordability required.

   - **Urban Design:** The design is welcomed, and the proposed architecture is of a high quality. However, some clarifications are sought on the layout of the scheme and residential quality of some of the units. No concerns raised in relation to the historic environment and the scheme accords with London Plan Policy 7.8.

   - **Inclusive Design:** The applicant should confirm that 90% of the proposed new homes will meet Building Regulation requirement M4(2) in line with London Plan Policy 3.8. A condition should secure the M4(2) and M4(3) requirements.

   - **Climate Change:** The applicant should provide the carbon emissions for each stage of the energy hierarchy for the domestic and non-domestic elements individually in light of the zero-carbon target for dwellings. The applicant should also address the technical comments which have been raised. The proposed drainage strategy should be reviewed and a wider range of sustainable drainage measures explored.
Transport: The development is broadly acceptable, subject to conditions and obligations being secured. TfL requests a £220,000 contribution to extend the cycle hire zone to Peckham.

Strategic planning and policy guidance update

6 On 1 December 2017, the Mayor published his draft London Plan for public consultation. The consultation closed on 2 March 2018. In August 2017 the Mayor published his Affordable Housing and Viability Supplementary Planning Guidance.

7 29 November 2017, Southwark Council published the proposed submission version of the New Southwark Plan. Consultation on this plan closed on 27 February 2018.

8 On 5 March 2018, the Ministry of Housing, Communities and Local Government published the draft revised National Planning Policy Framework for public consultation.

Update

9 Since Stage 1, GLA officers have received further information and engaged in discussions with Southwark Council and the applicant with a view of addressing the above matters. Furthermore, as part of Southwark Councils draft decision on the case, various planning conditions and obligations have been proposed to ensure that the development is acceptable in planning terms.

Housing

10 The proposals provide 120 affordable units, equating to 71% of the total dwellings provided (168), and 74% by habitable room. The tenure split is 80% social rent levels/20% intermediate. The applicant’s affordable housing offer includes GLA grant funding and forms part of a wider programme for the delivery of affordable housing across Southwark. Following the GLA’s Stage 1 response, the Council and the applicant have confirmed the following affordability levels for the shared ownership units:

<table>
<thead>
<tr>
<th>Shared ownership</th>
<th>Income thresholds</th>
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<tbody>
<tr>
<td>One-bedroom</td>
<td>Gross household income of £39,087</td>
</tr>
<tr>
<td>Two-bedroom</td>
<td>Gross household income of £46,184</td>
</tr>
<tr>
<td>Three-bedroom</td>
<td>Gross household income of £53,612</td>
</tr>
<tr>
<td>Four-bedroom</td>
<td>Gross household income of £60,801</td>
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11 Social rent levels will be calculated in accordance with Rent Standards Guidance 2015. The below sample rent levels were based on May 2017 valuations.

<table>
<thead>
<tr>
<th>Number of bedrooms</th>
<th>May-17 Mkt Valuation</th>
<th>RENT per 7 day week</th>
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<tbody>
<tr>
<td>1</td>
<td>£315,000</td>
<td>99.44</td>
</tr>
<tr>
<td>2</td>
<td>£367,429</td>
<td>112.52</td>
</tr>
<tr>
<td>3</td>
<td>£440,914</td>
<td>128.04</td>
</tr>
<tr>
<td>4</td>
<td>£477,657</td>
<td>139.29</td>
</tr>
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12 Policies H5 and H6 of the draft London Plan and the Mayor’s Affordable Housing and Viability SPG state that ‘Individual schemes which are led by RPs with an agreed programme with the Mayor can follow the ‘Fast Track Route’ if they commit to delivering a minimum of 35 per cent without grant’. The applicant has confirmed that they will commit to delivering 35 per cent affordable housing (by habitable room) grant at a policy compliant tenure split. This has been secured in the legal agreement as a baseline along with the delivery of 74% affordable housing with grant funding.
In accordance with the Mayor’s Affordable Housing and Viability SPG and Policies H6 and H13 of the draft London Plan, the section 106 agreement secures an early stage review mechanism to incentivise timely delivery.

**Urban design**

The overall approach to residential design quality is supported. The applicant provided clarification regarding the residential quality issues raised in the stage 1 report regarding daylight and sunlight levels to single aspect units, which appropriately addresses the issues raised, and the Council in its assessment of daylight and sunlight also found the proposals acceptable. The proposals comply with the design policies in chapter 7 of the London Plan and Policies D1-D8 of the draft London Plan.

**Climate change**

The proposed climate change mitigation and adaption measures were broadly supported at stage 1. The applicant provided further clarifications relating to energy efficiency, overheating, renewable energy and overall carbon reduction measures and the proposed energy strategy and drainage mitigation measures have been secured by way of planning condition/obligation as appropriate. A sum of £184,500 is included within the legal agreement to contribute towards the carbon off-set fund. Therefore, the application is considered to be compliant with the energy and sustainable drainage policies of the London Plan and draft London Plan.

**Transport**

At Stage 1, Section 106 obligations and conditions were required on parking permit restrictions, cycle hire, and the submission and compliance with a travel plan, construction and logistics plan and delivery and servicing plan.

The required conditions and legal obligations have been secured. Transport issues have therefore been addressed and the scheme is in accordance with the transport policies of the London Plan and the draft London Plan.

**Response to consultation**

The Council issued letters of notification to surrounding addresses, and the applications were advertised in the local press and by site notices. The Council received seven letters of objection and one letter of support from local residents or businesses.

The objections raised the following material planning considerations: loss of open space; poor design; overlooking; noise and disturbance; car parking; oversupply of flats; and impact on local facilities and services.

The following responses were also received from statutory consultees:

- **Environment Agency**: No objections raised subject to conditions secured by Council.
- **Historic England**: No comments.
- **Natural England**: No comments.
- **Metropolitan Police**: Support.
- **Southwark Local Employment Team**: Support subject to S106 obligation secured by Council.

Strategic planning issues raised in the responses to consultation, including loss of open space and transport, are considered in this report, the Mayor’s Stage 1 report, and the Council’s committee report. Local issues have also been considered in the Council’s committee report and the Council considered the development to have an acceptable impact, subject to conditions and s106 obligations.
Draft unilateral undertaking

22 As the Council owns the land, it was necessary for the Council to enter into a unilateral undertaking confirming that the planning obligations will be paid and/or provided. A unilateral undertaking is considered appropriate in this instance because the Council cannot covenant itself, which is necessary to enter into a Section 106 agreement. Should the land be disposed of in the future, the unilateral undertaking requires any successor in title to enter into a Section 106 Agreement in the usual way.

23 The draft heads of terms for the unilateral undertaking includes the following provisions:

- A minimum of 74% affordable housing by habitable room with grant funding;
- A minimum of 35% affordable housing by habitable room without grant funding;
- Affordable housing mix comprising 24 intermediate units and 96 affordable rented units;
- Early review mechanism for affordable housing secured;
- Financial contribution of £184,500 (indexed) as carbon offset payment to address shortfall of 103 tonnes of carbon;
- Local employment agreement or £111,350 financial contribution to Southwark’s employment and training fund secured;
- Financial contribution of £51,642 (indexed) toward playspace secured;
- Public realm improvements as detailed in application secured;
- Financial contribution of £200,000 (indexed) for cycle hire secured.

24 Parking permit restrictions will be secured by the necessary legal agreement with the Council should the land be disposed of, or implemented by the Council itself.

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

25 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 planning obligations, which satisfactorily address the matters raised at stage I, therefore there is no sound planning reason for the Mayor to take over this application.

Legal considerations

26 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. 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.

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Financial considerations

27 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.

28 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.

29 Should the Mayor take over the applications 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

30 Having regard to the details of the applications, the matters set out in Southwark Council’s committee report, its draft decision notice and heads of terms for the unilateral undertaking, the scheme is acceptable in strategic terms. Amended plans and further information has been provided, and conditions and planning obligations have been secured where appropriate which address the strategic issues raised at consultation stage regarding affordable housing, climate change and transport. As such the application complies with the London Plan, and there are no sound reasons for the Mayor to intervene in this particular case.

for further information, contact GLA Planning Unit:
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