

Plot N0201, Greenwich Peninsula (land adjacent to and south west of the O2 Arena)

in the Royal Borough of Greenwich
planning application no. 15/3552/F

<p>Strategic planning application stage II referral</p> <p>Town & Country Planning Act 1990 (as amended); Greater London Authority Acts 1999 and 2007; Town & Country Planning (Mayor of London) Order 2008.</p>
<p>The proposal</p> <p>Construction of a 36 storey building comprising 262 residential units, 2,213 sq.m. of retail floorspace and 189 sq.m. flexible retail/leisure/ancillary residential floorspace.</p>
<p>The applicant</p> <p>The applicant is AEG Europe, and the architect is Lifschutz Davidson Sandilands.</p>
<p>Key dates</p> <p>Pre-application meeting: 4 August 2015.</p> <p>Stage 1 reporting: 14 January 2016.</p> <p>Planning committee: 24 July 2017.</p>
<p>Strategic issues</p> <p>Urban design: the revised massing and single tower design has successfully addressed the concerns raised at consultation stage and is supported in general accordance with London Plan Policy 7.7 and the design requirements of the draft London Plan.</p> <p>Affordable housing: it has been demonstrated through robust viability testing that the provision of 22% affordable housing represents the maximum level. An early and late stage review mechanism has been secured in accordance with Policy H6 of the draft London Plan and the Mayor's Affordable Housing and Viability SPG.</p> <p>Other strategic issues with respect to housing, play space, urban design, sustainable development and transport have been appropriately addressed.</p>
<p>The Council's decision</p> <p>In this instance Greenwich Council has resolved to grant permission.</p>
<p>Recommendation</p> <p>That Greenwich 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.</p>

Context

1 On 26 November 2015 the Mayor of London received documents from Greenwich 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 the following categories 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.”*
- *1C(c) – “Development which comprises or includes the erection of a building of more than 30 metres high and is outside the City of London.”*

2 On 14 January 2016 the Mayor considered planning report D&P/3696/01, and subsequently advised Greenwich Council that the application did not comply with the London Plan, for the reasons set out in paragraph 73 of the above-mentioned report; but that the possible remedies set out in that paragraph could address these 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. Since then, the application has been revised in response to the Mayor’s concerns (see below). On 24 July 2017, Greenwich Council decided that it was minded to grant planning permission for the revised application, and on 22 December 2017 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 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 2018 to notify the Council of his decision and to issue any direction.

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

Consultation stage issues summary

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

- **Housing and affordable housing:** The proposed tenure split of the affordable housing is broadly compliant with London Plan policy, however the applicant’s viability report must be independently assessed to ensure the maximum level of affordable housing is secured.
- **Residential standards:** The applicant should provide further clarification on the floor to ceiling heights and explore whether less exposed units can accommodate private balconies.
- **Children’s play space:** The proposed play strategy is generally supported; however, the applicant should provide further information on other recreational facilities within 400 and 800 metres that would meet the recreational needs of older children.

- **Urban design:** The proposed height of the scheme is consistent with the maximum building heights considered appropriate in this area by the approved 2015 masterplan and will not have any further impact on the London Panorama 5A.1. The applicant is encouraged to explore opportunities to further slim down the tower to lessen the impact of views on the O2. Further information on the daylight levels received by those north facing single aspect units below floor twelve should be provided and the applicant should address issues regarding ground floor access and activation.
- **Inclusive design:** The Council should secure compliance with Building Regulations M4(2) and M4(3).
- **Sustainable development:** The carbon dioxide savings meet the target set within Policy 5.2 of the London Plan; however, further information is sought regarding energy efficiency, overheating, mechanical ventilation, district heating and the site heat network before compliance with London Plan energy policy can be verified.
- **Flood risk:** The flood risk mitigation is in accordance with London Plan Policy 5.12. The applicant should confirm the discharged point of the surface water system and whether the proposed volume of attenuation is required.
- **Transport:** Further discussion, clarification and/or commitments are required to address those issues set out above regarding blue badge parking, electric vehicle charging points, cycle parking, travel planning and impact on Jubilee Line, River Services, construction management, delivery and servicing, build over agreements and site specific mitigation.

Strategic planning policy and guidance update

6 On 1 December 2017, the Mayor published his draft London Plan for public consultation. In August 2017 the Mayor published his Affordable Housing and Viability SPG.

Update

7 Following the issuing of the GLA stage one report (D&P/3696/01) and the receipt of consultation responses, the applicant substantially revised the form and massing of the proposals. The revised proposals replaced the split massing approach of having a 36 storey tower and smaller ten storey building, linked by a communal amenity space, with a single 36 storey tower and podium communal amenity space. This resulted in a reduction of 133 residential units, and an increase in retail and flexible retail/leisure/ancillary C3 (gym) floorspace originally proposed. The overall maximum height of the proposals remains at 120 metres AOD as per the original submission.

8 Since consultation stage GLA officers have engaged in joint discussions with the applicant, the Council and TfL officers with a view to addressing the above matters raised at stage one where still relevant to the revised proposals. Furthermore, as part of Greenwich Council's draft decision on the case, various planning conditions and obligations have been proposed to address the above concerns and ensure that the development is acceptable in planning terms.

Principle of development

9 The loss of 18,659 sq.m. of consented office floorspace proposed by this scheme was previously accepted in the GLA stage one response (D&P/3696/01) in the context of the wider office floorspace review carried out to support the 2015 Peninsula Masterplan. The revised quantum of retail floorspace provides a higher employment density, increasing the potential

number of new jobs to 114, which is an uplift of 61 compared to the original scheme and will positively contribute towards the wider Opportunity Area aspirations for job delivery in accordance with London Plan Policy 2.13 and draft London Plan Policy SD1. In accordance with the Mayor’s initial representations, apprenticeships and training initiatives in order to support local employment, skills development and training opportunities have been secured by planning obligation in accordance with London Plan Policy 4.12 and draft London Plan Policy E11.

Housing and affordable housing

Affordable housing

10 As set out above, the revised scheme has resulted in a reduction in the total number of residential units proposed. A comparison of the overall unit and tenure mix is set out in the table below.

ORIGINAL SUBMISSION (STAGE I)				REVISED SCHEME (STAGE II)			
Tenure	No. unit	Unit %	AH % (hab room)	Tenure	No. unit	Unit %	AH% (hab room)
Social rent	24	6%	14.49%	Social rent	19	7%	11.48%
Affordable rent	23	6%		Affordable rent	10	4%	
Intermediate	33	8%	10.24%	Intermediate	30	11%	10.78%
Market	315	80%	75.27%	Market	203	78%	77.73%
Total	395	100%	100%	Total	262	100%	100%

* Affordable housing comparison between original and revised scheme.

11 The revised proposals comprise 22% affordable housing on a habitable room basis (22.5% by unit). A revised financial viability assessment (FVA) has been submitted to the GLA and Council for review which indicates the proposed scheme would generate over a £10 million deficit. The Council’s independent review concluded with the findings of the submitted FVA and that 22% affordable housing was the maximum reasonable amount. Accordingly, the independent assessor recommended the use of a late stage review mechanism to secure any uplift in value during the construction of the development.

12 GLA officers have robustly scrutinised the supporting viability information, including the Council’s review, and have interrogated the assumptions in the report fully with the applicant. Accordingly, following rigorous independent reviews of scheme viability and the provision of both an early and late stage review mechanism, which GLA officers have secured once 75% of the units are sold to secure the maximum amount of any additional uplift in values towards the delivery of additional affordable housing, it has been confirmed that 22% represents the maximum level of affordable housing in accordance with Policy H6 of the draft London Plan, the Mayor’s Affordable Housing and Viability SPG, and London Plan Policy 3.12. It is noted that this offer is in line with the quantum of affordable housing secured as part of the 2015 Greenwich Peninsula Masterplan application (22.7% by unit).

Tenure mix

13 The affordable housing component of the scheme comprises 36% social (target) rent, 15% affordable rent to be let at a rent of up to 80% market rent, and 48% intermediate shared ownership eligible to households with gross incomes of up to £55,000 for one bed units and £71,000 for two bed units. Subsequent to the Council’s resolution to grant permission, GLA

officers have secured a commitment from the applicant within the section 106 agreement for the affordable rented units to be let at a rent of up to 80% market rent, or at Local Housing Allowance (LHA) caps, whichever is lower, in accordance with Policy H7 of the draft London Plan and the Mayor’s Affordable Housing and Viability SPG. All intermediate units will be secured by planning obligation at income thresholds significantly below the maximum of £90,000, the overall tenure and mix is acceptable. The following table sets out the overall mix of unit sizes for each affordable housing tenure.

Unit size	Social rent	%	Affordable rent	%	Intermediate	%
One bed	1	5%	6	60%	13	43%
Two bed	16	84%	4	40%	17	57%
Three bed	2	11%	0	-	0	-
Total	19	100%	10	100%	30	100%

* Comparison of unit mix by affordable tenure.

14 The proposed mix of affordable products is broadly in line with the Mayor’s preferred tenure split set out in Policy H7 of the draft London Plan and the Mayor’s Affordable Housing and Viability SPG which seeks a minimum of 30% low cost rented homes including social rent or London Affordable Rent, a minimum of 30% intermediate products including London Shared Ownership and London Living Rent, with the remaining 40% to be determined by the relevant borough based on identified need. As such, the affordable housing component of the scheme has been maximised in light of the overall viability constraints set out in paragraphs 11 and 12 above and will secure a range of affordability and products in a highly accessible location, including a higher proportion of larger two and three bedroom social rented units, which exceeds the minimum strategic requirement for 30% low cost rented homes, and is accepted in general accordance with policies H5, H6 and H7 of the draft London Plan, the Mayor’s Affordable Housing and Viability SPG, and London Plan Policy 3.12.

15 The applicant has explored increasing the quantum of low cost rented units within the development to better reflect the Council’s preferred tenure split, however, it has been demonstrated that due to the single core design of the building and the implications of service charges, it is not possible to mix affordable and market units on a single floor. Two scenarios have therefore been tested that would result in the substitution of a whole floor of market housing for affordable housing; however, in both cases this would further reduce the overall scheme viability and a reduction in the total proportion of affordable housing to be delivered. On assessment of these scenarios and following further review by the Council’s viability consultants, the Council has concluded that the proposed tenure split is acceptable, and the overall housing mix, noting the sites location adjacent to The O2 in the Greenwich Peninsula masterplan is better suited to high density development with a greater proportion of smaller units as opposed to family accommodation.

Residential standards

16 The revised massing has resulted in the designing out of single aspect units, which is strongly supported in accordance with the Housing SPG and Policy D4 of the draft London Plan, as is the provision of private external amenity space to approximately 60% of the proposed units, which is an improvement on the original design. The internalisation of this amenity space to the remaining units is accepted due to the impact that balconies would have on the quality of daylight received to these units. The applicant has set out that all habitable rooms will have a typical floor to ceiling height of 2.6 metres but that bathrooms and primary corridor spaces will have heights of 2.35 metres to account for ventilation servicing. The applicant has tested a sample of units and has confirmed that those units tested meet the minimum floor to ceiling height of 2.5 metres and this is exceeded for over 75% of the gross internal area of each

dwelling in accordance with the Housing SPG and part 8 of Policy D4 of the draft London Plan. The applicant has confirmed that the detailed internal design process will continue to maximise ceiling heights and an appropriate planning condition has been included to secure this.

17 As per the original design, a significant number of floors will marginally exceed the recommended number of units sharing a residential floor set out within the Housing SPG, but the standard is met at level 23 and above. Notwithstanding this, the applicant has sought to reduce the length of the corridor as much as possible, and in light of the overall high residential quality proposed, which significantly improves upon the original scheme design, this is accepted on balance in this instance. Overall, the proposed development is in accordance with Policy D4 of the draft London Plan, the Housing SPG and London Plan Policy 3.5.

Children's play space

18 The proposals will provide 405 sq.m. of formal doorstep play space for children under five years old, which meets the minimum requirement generated by this scheme. This is located on the podium level roof terrace which provides a total of 1,844 sq.m. of external communal amenity space for the residents. This is a significant increase over the amenity space provided by the previous iteration and is supported. A detailed play strategy demonstrating the types of playable features that will be delivered and how inclusive play principles have been considered is secured by planning condition. In addition, a financial contribution of £10,000 towards the provision of recreational facilities for children over 12 within the vicinity of the development has also been secured. In light of the above, GLA officers are content that the proposals meet the requirements set out within Policy S4 of the draft London Plan, the Shaping Neighbourhoods: Play and Informal Recreation SPG and London Plan Policy 3.6.

Urban design

19 Both the original and revised schemes have been subject to review by CABE prior to submission. On conclusion of the review process the panel was generally supportive of the revised design and considered the development would provide a high quality building and residential environment that would complement the evolving masterplan area well. GLA officers have worked with the applicant and the Council, and consider that the revised massing and single tower design has successfully addressed the concerns raised at consultation stage; most notably, the single tower lessens any impact on local views of The O2 from the central park and has resulted in all north facing single aspect units being designed out. The proposed height remains the same as previously considered and as set out in the GLA stage one report, this is consistent with the maximum building heights considered appropriate in this area by the approved 2015 masterplan and will not have any further impact on the London Panorama 5A.1.

20 As set out in the GLA stage one report, a key element of London Plan Policy 7.7 and Policy D8 of the draft London Plan is how tall buildings address the street. As a result of the revised layout, the ground floor arrangement has been rationalised to ensure that all of the prominent public facing frontages will be animated by retail uses, providing activation to the public realm which is supported. All 'back of house' uses are located in areas that are not publicly accessible or visible from the public realm.

Inclusive design

21 Suitable planning conditions securing 10% of the total number of residential dwellings to meet Building Regulations M4(3) and 90% to meet Building Regulations M4(2) have been secured. A further condition securing 10% of the social rented units as wheelchair user dwellings (M4(3)) has also been secured.

22 The development is car free, with the exception of fifteen blue badge parking bays, which meets the minimum requirement of one space per 3% of the dwellings as set out in Policy T6.1 of the draft London Plan. This provision is acceptable given the spatial constraints of the site and its highly accessible nature. A car parking management plan has been secured by planning condition which will include details of all aspects of management, allocation and monitoring of the residential parking including disabled persons parking.

Sustainable development

Energy strategy

23 Detailed information and clarifications were provided by the applicant regarding energy efficiency modelling and district heat networks, which addresses comments made at consultation stage. On this basis the proposal now complies with London Plan and draft London Plan energy policy.

Flood risk

24 A sustainable urban drainage scheme is secured by planning condition to ensure the scheme does not increase flood risk. This suitably addressed those concerns raised at consultation stage and the application is now in accordance with London Plan 5.13 and Policy SI13 of the draft London Plan.

Transport

Walking and cycling

25 Concerns were raised at consultation stage regarding the requirement for the closure of the permissive footway currently provided along the western boundary of the site. This footway falls within the private land ownership of the applicant, is not public highway and is required to facilitate the active retail frontage proposed. Further analysis has been provided which indicates that alternative walking routes to the west of the Peninsula are in fact shorter than the one currently predominantly used. The applicant has offered to provide wayfinding and signage to pedestrians away from the existing walking route and following further discussions, Transport for London (TfL) is satisfied that the development conforms with London Plan policy 6.10 and Policy T2 of the draft London Plan.

26 The applicant was required to provide additional cycle parking at the consultation stage. Following further negotiations, the size of the residential cycle parking areas have been increased and it has been agreed that the required 14 visitor cycle spaces will now be provided within the public realm immediately outside of the development, with their installation fully funded by the applicant. This results in the proposed cycle parking provision complying with London Plan Policy 6.9 minimum standards for long and short stay parking. It is noted that the development will not meet the draft London Plan standards, however, the applicant has demonstrated that cycle parking has been maximised within the constraints of the site. Given these constraints and that the Council resolved to grant permission prior to the draft London Plan being published for consultation, the proposed quantum of cycling parking is accepted.

Public transport impact

27 A financial contribution of £260,000 was initially requested to help fund the bus service changes and improvements that will be required to service the Peninsula in future and to provide a viable alternative to passengers currently using the Jubilee line. This was considered necessary to address TfL's concerns regarding the cumulative development impact at North Greenwich on the operation of the Jubilee Line. This has been reduced to £95,000 as result of viability testing. While the full contribution initially requested has not been secured, TfL is satisfied that the overall package proposed to help mitigate public transport impact is acceptable and the development generally accords with London Plan Policy 6.3 and Policy T3 of the draft London Plan.

Travel plan, construction and servicing

28 A travel plan will be secured, enforced, monitored and funded by condition. Both a delivery and servicing plan and a full construction logistics plan have also been secured through condition.

Response to consultation

Responses to neighbourhood consultation

29 Since the submission of the application in November 2015, the proposals have been subject to two rounds of public consultation to take account of the revisions described in paragraph 7 above. Greenwich Council publicised the application by sending 965 consultation letters to individual occupiers in the vicinity of the site, issuing site and press notices, and notifying local amenity groups. The following responses were received.

Responses from members of the public

30 Objections were raised on the basis of lack of parking in the area and the high parking charges; there is need for additional facilities in the area such as post office, bank, shops and GP surgery; the proposed building is too high and will result in a loss of daylight and sunlight; concerns about flooding; existing wind conditions are problematic and the proposals should cater for families on high and low incomes.

Responses from statutory bodies and other organisations

31 A number of responses were received from statutory consultees and other organisations:

- **Environment Agency:** raised no objection and recommended conditions regarding flood mitigation, surface water drainage and piling.
- **Historic England:** advised that the application should be determined in accordance with national and local policy guidance and on the basis of the Council's specialist conservation advice.
- **Greater London Archaeological Service:** recommended that the on-going geo/archaeological interest can be secured by condition that will permit geo/archaeological evaluation of the site.
- **Port of London Authority:** required a condition securing the submission and approval of details of craneage and suitable obligations to secure mitigation should the cranes impact on PLA navigation link. It advised that the Council should be satisfied that the noise assessment adequately addressed noise from nearby safeguarded wharves.

- **Natural England:** raised no objection and advised that standing advice be used to assess impact upon protected species.
- **London Borough of Tower Hamlets:** raised no objection to the application.
- **Metropolitan Police:** recommended a condition to secure Secured by Design accreditation and requested that the applicant consider providing a small space for Police welfare facilities within the development.
- **Thames Water:** recommend conditions requiring a water supply impact study, submission of a piling impact study, in addition to advice in relation to surface water drainage, construction in proximity to Thames Water sewers, petrol / oil interceptors and groundwater.
- **London City Airport:** raised no objection subject to aviation safety conditions.
- **Greenwich Conservation Group:** welcomed the revised design that overcomes previous concerns about impact on the communal amenity space, although concerns still raised with density. A reduction in the number of units would go some way to overcoming previous concerns about building height. Concerns with regards to the proportion of family-sized accommodation, affordable housing and the number of units with internalised amenity space were raised. The society welcomed the increased amount of amenity space and advised that substantial screening should be provided for the wheelchair units at podium level. Overall concerns with regards to cumulative quantum of approved residential development on the Peninsula that exceeds the Opportunity Area targets in the March 2016 London Plan and Core Strategy were also raised.

Consultation conclusion

32 It is noted that, having considered the above consultation responses, Greenwich Council has provided specific responses within its Committee Report and proposed various planning conditions and section 106 obligations in response to the issues raised. Having had regard to these, GLA officers are satisfied that the statutory and non-statutory responses to the Council's consultation process do not raise any material planning issues of strategic importance that have not already been considered at consultation stage, and/or in this report.

Draft section 106 agreement

33 The draft S106 agreement includes the following provisions:

- Provision of 59 affordable units (22% habitable rooms) secured at a mix comprising 19 social rented units at target rent levels, 10 affordable rent units at up to 80% market rent, or LHA cap, whichever is lower, and 30 intermediate units at following gross income thresholds - £55,000 for one bed units; £71,000 for 2 bedroom units; and £85,000 for three bedroom units;
- Affordable housing delivery programme and marketing plans;
- Early stage review if not commenced within 18 months;
- Late stage review mechanism triggered at 75% sale of units;
- Review to examine overall level of affordable housing and whether more appropriate ratio of social rented and intermediate units could be provided;
- £93,000 towards local employment and training initiatives;
- £95,000 towards local bus service improvements;
- A financial contribution towards local walking and cycling improvements;
- CPZ parking exemption;
- £32,000 towards provision of car club spaces and two year membership for residents;
- Visitor cycle parking;

- Cycle training for residents;
- TfL infrastructure safeguarding agreements;
- £80,000 towards maintenance and improvement of local education facilities;
- £40,000 towards maintenance and improvement of local healthcare facilities;
- £10,000 towards off-site provision of children’s play space for over 12s;
- Mitigate the impact on PLA navigational equipment during construction and operational phases;
- Payment of legal costs;
- Payment of S106 monitoring costs.

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

34 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 1, therefore there is no sound planning reason for the Mayor to take over this application.

Legal considerations

35 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

36 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.

37 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.

38 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

39 The strategic issues raised at consultation stage regarding employment, housing, affordable housing, residential quality, play space, urban design, sustainable development and transport have been satisfactorily addressed, and appropriate planning conditions and obligations have been secured. As such the application complies with the London Plan and the draft London Plan, and there are no sound reasons for the Mayor to intervene in this particular case.

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