

Arthur Street Estate, Erith

in the London Borough of Bexley

planning application no. 18/03154/FULM

Strategic planning application stage II referral

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

The proposal

A full application comprising demolition of all existing buildings (excluding Warwick Court) and construction of 320 residential units in five blocks of three to nine storeys, together with associated landscaping, parking, and access.

The applicant

The applicants are **Orbit South Housing Association** and **Wates Residential**, and the architect is **JTP**.

Key dates

Stage One report: 18 February 2019

Planning Committee: 30 May 2019

Strategic issues summary

Principle of development, estate regeneration and affordable housing: The estate regeneration, providing 80% affordable housing on-site is strongly supported. Due to limitations on the potential to increase density, and the need to balance tenures on the site, an element of off-site re-provision of low-cost rent affordable housing has been secured to ensure like-for-like replacement. Financial viability has been robustly assessed and GLA officers are satisfied that affordable housing has been maximised. Early and late stage viability reviews have been secured.

Urban design: The proposals are of a good design and residential quality and are supported.

Transport: The proposals are supported in line with the transport policies of the London Plan and draft London Plan.

Climate change: The flood risk, surface water, water efficiency, and energy strategies are supported in line with the London Plan and draft London Plan.

The Council's decision

Bexley Council has resolved to grant permission, subject to planning conditions and a section 106 agreement.

Recommendation

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

Context

1 On 2 January 2019, the Mayor of London received documents from Bexley Council notifying him of a planning application of potential strategic importance to develop the above site for the above uses. The application was referred to the Mayor under categories 1A, and 3A(a) of the Schedule to the Order 2008:

- Category 1A *“Development which comprises or includes the provision of more than 150 houses, flats or houses and flats;*
- Category 3A(a) *“Development which is likely to result in the loss of more than 200 houses, flats, or houses and flats (irrespective of whether the development would entail also the provision of new houses or flats).”*

2 On 18 February 2019, the Mayor considered planning report GLA/4493/01, and subsequently advised Bexley Council that the application did not comply with the London Plan, for the reasons set out in paragraph 76 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. On 30 May 2019, Bexley Council decided that it was minded to grant permission, and on 30 August 2019 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 Bexley 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. The Mayor has until 12 September 2019 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 consultation stage, Bexley Council was advised that the application did not yet comply with the London Plan, for the reasons set out in paragraph 76 of the above-mentioned report; but that the possible remedies set out in that paragraph could address these deficiencies:

- **Principle of development, estate regeneration and housing:** The existing Estate is in a poor and declining physical condition, and no longer provide a satisfactory standard of residential accommodation. Due to limitations on the potential to increase density, and the need to balance tenures on the site, an element of off-site re-provision of low-cost rent affordable housing is proposed. Financial viability is undergoing robust assessment to ensure that affordable housing has been maximised in accordance with the London Plan, the Mayor’s Affordable Housing and Viability SPG, and the draft London Plan. Early and late stage viability reviews will be required. The estate regeneration is strongly supported, subject to further information to ensure like-for-like replacement, confirmation that affordable housing has been maximised, right of return for social tenants, and a fair deal for leaseholders. The Council should confirm that the loss of the dental surgery is acceptable.
- **Urban and inclusive design:** The proposals are generally of a good design and residential quality; however, the quality of the public realm is undermined by on-street

parking, which should be reviewed and would benefit considerably from a reduction. Inclusive access requirements should be secured by condition.

- **Transport:** The dominance of car parking within the site's internal roads should be reduced to create a more pedestrian friendly environment. Given the likely impact of the scheme on bus network capacity, a section 106 contribution towards bus service improvements will be requested.
- **Climate change:** Further information is required on the energy strategy, the surface water drainage strategy, and water consumption targets.

Strategic planning policy and guidance update

6 The following policies and guidance are now material considerations:

- The National Planning Policy Framework 2019 and National Planning Practice Guidance.
- The draft London Plan consolidated suggested changes version (July 2019), which should be taken into account on the basis explained in the NPPF.
- Bexley's Local Plan Preparation (Regulation 18 consultation, February 2019).

Application update

7 Since consultation stage, GLA officers have engaged in joint discussions with the applicant, the Council and its advisers, and TfL officers, with a view to addressing the above matters. Amendments were also submitted; however, these were of a minor nature and do not raise further strategic issues. Changes to the off-site affordable housing programme are detailed below. Furthermore, as part of Bexley Council's draft decision on the case, various planning conditions and obligations have been secured to address the above concerns and ensure that the development is acceptable in planning terms. An update of issues raised at consultation stage is set out below.

Principle of development, estate regeneration and housing

8 At consultation stage, the principle of the Estate's regeneration was strongly supported; subject to further information to ensure like-for-like replacement, confirmation that affordable housing has been maximised, right of return for social tenants, a fair deal for leaseholders, and early and late stage viability reviews.

9 The existing Estate is almost exclusively made up of social rent (254 units), with 8 leaseholders, and is heavily-biased towards studio and one-bed units, which fail to provide a balanced mix of homes reflecting local affordable housing need. As set out in the draft London Plan, the Mayor expects any proposals for estate regeneration schemes to take account of the requirements of the GPGER. Where a scheme involves demolition of existing homes, the GPGER is clear that the Mayor will use his non-planning powers to support resident ballots by making his funding conditional on the proposed scheme winning a ballot. It should be noted that considerations around ballots and funding conditions are not planning issues, and do not affect the Mayor's planning decision. The initial resident's consultation exercise occurred prior to the adoption of the GPGER, and the decant process was already underway at its publication. The applicant is in receipt of GLA funding to help deliver this scheme, which was contractually committed prior to publication of the GPGER in 2018. The scheme is therefore eligible for an exemption to the ballot funding condition, which was approved by GLA Housing & Land on 10 October 2018. Given this agreement, the advanced nature of the residential decant and the clear levels of resident support for redevelopment, a ballot is not required in this instance. The decant commenced some years ago, with residents re-housed in other Orbit properties, including

the adjacent Erith Park. The terms of rehousing did not offer the right of return, and it was considered that introducing this at such a late stage would cause confusion. GLA Housing and Land therefore agreed that tenants would not be offered a right of return. All leaseholders have been supported by Orbit in securing alternative properties and have vacated.

10 The proposals provide 80% (256 units) affordable housing on-site, made up of 48% London Affordable Rent, 22% London Living Rent, and 30% shared ownership. The introduction of a range of tenures, including intermediate and market housing, responds to London Plan and draft London Plan policies on mixed and balanced communities. While also optimising the density of the proposals, this does mean that the existing low-cost rent units will not be fully re-provided on the site. The table below sets out the existing and the proposed on-site housing by units, habitable room, and floorspace:

	Existing				Proposed				
	Social rent	Affordable rent	Leasehold	Total	London Affordable Rent	London Living Rent	Shared Ownership	Market	Total
Units	254	1	8	263	121	58	77	64	320
Habitable rooms	657	3	22	682	345	157	212	181	895
Floorspace	13,930	61	455	14,446	8,636	3,744	5,061	4,358	21,799

11 This demonstrates that there will be an on-site uplift of units, habitable rooms, and floorspace, for total units and affordable units; however, in terms of low-cost rent, the proposals would result in the loss of 134 units, 315 habitable rooms, and 5,355 sq.m. on the site. In itself, this would be contrary to the Mayor’s Affordable Housing and Viability SPG, the draft London Plan, and the GPGER; however, the GPGER acknowledges that it may be possible to re-provide a different mix of affordable housing on a particular estate, if like-for-like replacement is achieved across an agreed programme of sites. This approach was supported at consultation stage, subject to robust assessment of the financial viability assessment and appropriately securing the off-site re-provision. The off-site re-provision of London Affordable Rent units is now confirmed as over the page. There has been a slight reduction on the extent of off-site provision as a result of the removal of some units that were already secured as existing section 106 requirements.

12 Taking the programme approach into consideration, there would be an uplift in low-cost rented floorspace of 1,403 sq.m. and 12 habitable rooms. Although there would be a loss of 47 units overall, this is a result of the existing Estate being heavily biased towards studio and one-bed units. On-site and off-site provision would also result in an increase in family-sized low-cost rent units.

13 The draft section 106 secures these off-site units as London Affordable Rent. It is noted that sites 7-9 (30 units, 2,225 sq.m., 120 habitable rooms) are subject to planning/purchase, and the draft section 106 therefore secures that on-site London Living Rent units of an equivalent floorspace/habitable rooms will not be occupied until the off-site provision has been provided, and will be converted to London Affordable Rent should the required off-site provision not come forward. Although unlikely to be required, this provision secures that there would be an uplift in low-cost rent homes by habitable rooms and floorspace compared to that existing, which is supported in line with the London Plan and the draft London Plan.

Site	Total units	Existing S106 requirement	Additional units	Additional floorspace	Additional habitable rooms
1. St. Johns Hall (complete)	16	6	10	750	38
2. Twigg Close (complete)	9	0	9	616	25
3. Wessex Drive (complete)	10	1	9	859	39
4. Street properties A (purchased)	19	5	14	1,059	55
5. Whitehall Lane (complete)	12	5	7	520	18
6. Hurstwood (target completion 2020)	8	0	8	729	32
7. Cheviot Close (to be submitted)	23	6	17	1,487	79
8. Codfather (to be submitted)	9	0	9	630	27
9. Street properties B (to be purchased)	5	1	4	108	14
Totals	111	24	87	6,758	327

14 The applicant's financial viability assessment has been independently scrutinised by the Council's advisors and interrogated by GLA officers, who are satisfied that the scheme is delivering the maximum amount of affordable housing.

15 The affordable tenures are secured in the section 106 agreement, and the affordability of the shared ownership units is secured in accordance with the Mayor's qualifying income levels, as set out in the Mayor's Affordable Housing and Viability SPG and the London Plan Annual Monitoring Report, and initially for Borough residents with a household income of up to £55,000.

16 Early and late stage viability reviews have been secured in line with the draft London Plan and the Mayor's Affordable Housing and Viability SPG.

17 At consultation stage, further detail was requested on the loss of the existing dental surgery. It is recognised that the existing facility is small (76 sq.m.) and alternative facilities are available within a reasonable distance. The applicant has agreed to re-provide a dental surgery within the locality, with the most likely location within the 'Codfather' site, proposed as part of the off-site affordable housing provision; however, flexibility on the location allows for its re-provision within a 300 metre radius of the site. This is secured through the draft section 106 agreement, and is supported in line with London Plan Policies 3.16 and 3.17, and draft London Plan Policies S1 and S2.

Urban design

18 At consultation stage, the proposals were considered to be generally of a good design and residential quality; however, the applicant was requested to review the level of on-street parking due to the potential to undermine the quality of the public realm. It is recognised that the current ratio of residential parking (0.82) is within London Plan and draft London Plan standards, and was reduced during the development of the proposals. The applicant has reviewed provision further, and considering the site's relatively poor accessibility to public transport it is accepted that no further reduction in on-street parking is possible.

19 A planning condition secures that at least 10% of the units will meet Building Regulation requirement M4(3) 'wheelchair user dwellings' (designed to be wheelchair accessible or easily adaptable for residents who are wheelchair users), in accordance with London Plan Policy 7.2 and Policy D3 of the draft London Plan. All other new build dwellings will meet Building Regulation requirement M4(2) 'accessible and adaptable dwellings', apart from six units that have a 300mm step to very large external roof terraces due to site levels. Considering the added amenity benefit provided to these units, and the small number of units affected, this is acceptable in this instance.

Transport

20 At consultation stage, queries were raised in relation to electric vehicle parking provision, cycle parking, and the bus impact assessment, and conditions requested. Commitments to electric vehicle parking provision, a construction logistics plan, travel plan, and car parking strategy have been secured through condition. Further information on bus impacts has been provided and financial contributions to local buses are no longer required. Car parking arrangements are acceptable. Cycle parking design has been improved, and space for larger cycles is secured via condition. The proposals are now supported in line with the transport policies of the London Plan and draft London Plan.

Climate change

21 As requested at consultation stage, detailed information and clarifications were provided by the applicant regarding energy efficiency measures, modelling outputs, overheating calculations, the district energy network, combined heat and power, and renewable energy options, in addition to appropriate planning conditions securing the measures set out in the supporting energy strategy, which addresses comments made at consultation stage. Furthermore, a carbon offset contribution of £390,600 has been secured by planning obligation. On this basis, the energy strategy is supported in line with the London Plan and draft London Plan.

22 As requested at consultation stage, further information has been provided on sustainable drainage and water efficiency, which meets the requirements of the London Plan and draft London Plan.

Response to consultation

23 In addition to inviting comments from statutory consultees and publishing all the relevant documents on the Council's planning register, Bexley Council carried out a public consultation with local residents, businesses and institutions. The Council publicised the application by notifying neighbouring properties, placing site notices and publishing notices in the local press. No responses were received from neighbouring properties. Responses were received from the following organisations:

- **Environment Agency:** No objection, subject to conditions, which have been applied.
- **Thames Water:** No objection, subject to a condition, which has been applied.
- **Historic England (Archaeology):** No objection, subject to a condition, which has been applied.
- **London Fire Brigade:** No objection.
- **Bexley Natural Environment Forum:** No objection.

24 The Council has proposed various planning obligations and conditions in response. Having had regard to these, GLA officers are satisfied that the responses to the public consultation process do not raise any material planning issues of strategic importance that have not already been considered in this report, or consultation stage report GLA/4493/01.

Draft section 106 agreement

25 Further to the heads of terms set out within Bexley Council's Committee Report, the draft section 106 agreement secures the following key provisions:

- Affordable housing comprising 80% (by habitable room) on site, split 48% London Affordable Rent, 22% London Living Rent, 30% shared ownership, with off-site provision of London Affordable Rent units as per the table above, and early and late review mechanisms;
- Dental surgery re-provision;
- Local employment skills plan;
- Travel plan and monitoring;
- A contribution of £390,600 towards carbon offsetting.

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

26 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 consultation stage, therefore there is no sound planning reason for the Mayor to take over this application.

Legal considerations

27 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.

Financial considerations

28 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.

29 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.

30 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

31 The strategic issues raised at consultation stage with respect to the principle of development; estate regeneration, affordable housing; urban and inclusive design; transport; and climate change have been addressed. Having regard to the details of the application, the matters set out in the Committee Report, Addendum Report, and draft decision; the application is supported in line with the London Plan and draft London Plan, and there are no sound planning reasons for the Mayor to intervene in this case.

for further information, contact the GLA Planning Team:

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