

LAMBETH LOCAL PLAN EXAMINATION OCTOBER/NOVEMBER 2020

Statement of Common Ground between London Borough of Lambeth and the 'Royal Street parties': Guy's and St Thomas' Hospital Foundation Trust; Guy's and St Thomas' Charity; and Stanhope plc.

Matter 4.3 – Affordable workspace

Context

This is a statement of common ground (SCG) between the London Borough of Lambeth ('**LB Lambeth**') and the three parties to the proposed redevelopment of the Royal Street area, namely: Guy's and St Thomas' Hospital Foundation Trust ('**GSTHFT**'), 'Guy's and St Thomas' Charity ('**the Charity**') and Stanhope Plc ('**Stanhope**'). The purpose of this SCG is to support the examination of the Draft Revised Lambeth Local Plan Proposed Submission Version January 2020 (the '**Draft Plan**').

At the hearing session on 3 November 2020, the Inspector asked LB Lambeth to agree a SCG with the three Royal Street parties to cover inclusion of a site allocation in the SADPD and clarification in the supporting text of ED2 that the policy would not apply to offices that are ancillary to or integral to the operation of a hospital. This SCG would also include the wording to clarify whether viability reviews for affordable workspace would be capped. This was recorded as actions 15 and 13 in the Inspector's list of actions arising from the examination hearing ([INS06c](#)).

LB Lambeth's proposed amendments

LB Lambeth's proposed amendments to Policy ED2 Affordable Workspace to address the points requested by the Inspector are set out in red in Appendix 1 of this statement.

In addition, LB Lambeth will include an updated site allocation policy covering the Hospital and Royal Street area in the forthcoming SADPD. It is anticipated a Regulation 18 publication consultation draft of the SADPD will be issued in early 2021. The Council will seek to maintain a dialogue with the three Royal Street parties throughout the preparation of the SADPD.

Discussions between the Council and the other parties around the emerging site allocation policy will explore whether site-specific circumstances and the emerging development proposals justify a different approach to that normally required by borough-wide land use planning policies.

GSTHFT comments

Areas of agreement

GSTT and LB Lambeth agree to the amending wording proposed to paragraph 6.14 of Draft Policy ED2 on Affordable Workspace. The chosen wording is representative of the fact that office

developments brought forward that are ancillary or integral to hospitals and other healthcare facilities are clearly differential from standard office development and therefore should not be assessed against the policy requirements for affordable workspace. Healthcare campus developments have unique characteristics and it is welcomed to see this recognised, with an appropriate amendment to policy in the context of Policy ED2.

Areas of disagreement

Our Matter Statement for Matter 4 summarises why the provision of alternatives in place of affordable workspace would be a beneficial addition to the policy, to allow for flexibility and a recognition of the impact that provision of social infrastructure or other facilities that hold a public benefit has both a positive benefit to the local community and does impact on the viability of a scheme that comes forward. We understand that the Council are not intending to implement this change to the Local Plan. The Trust maintain that this would be reasonable amendment to make of the policy and would facilitate the delivery of social infrastructure in office schemes, if appropriate.

The Charity's comments

Areas of agreement

1. We agree in principle with the need for affordable workspace.
2. We agree that a separate, site specific policy on affordable workspace is required and that this should form part of the forthcoming Site Allocations Development Plan Document scheduled
3. We agree with the amendments to the wording of policy ED2 which applies to the affordable workspace requirements to the Net Internal Area (NIA) rather than the Gross Internal Area (GIA).
4. We agree with the new wording in part (d) of the policy which recognises that on larger, multi-phase schemes a more bespoke approach to the delivery of affordable workspace should be secured through planning obligations.
5. We agree with the Council's amendment to part (f) of the policy to state that any increased requirement for affordable workspace following a viability review should be capped at the level required by the policy.

Areas of disagreement

1. We have outstanding concerns about the Council's approach to affordable workspace and the implications that policy ED2 as currently drafted has for the viability of a redevelopment of the site including Becket House in the future. We refer the Inspector back to our original representations and hearing statements and look forward to further discussions with the Council through the forthcoming Site Allocations DPD.

Stanhope's comments

Areas of agreement

Stanhope welcome further discussion in relation to an updated site allocation policy for the Royal Street Site in the forthcoming SADPD.

Stanhope agree to the Local Plan setting out a requirement for affordable workspace provision in principle.

Stanhope strongly support the proposed amendments to Draft Policy ED2 as set out in Appendix 1 in terms of basing the provision required on NIA rather than GIA.

The inclusion of phasing to the wording of part d) of draft policy ED2 is also very welcome as it is understood that the affordable workspace will be able to be secured on a phase by phase basis.

In terms of part f) the clarification on the capping of the amount of workspace to be provided is also supported.

Areas of disagreement

Stanhope still have outstanding concerns about other aspects of draft policy ED2 as set out in their earlier written statements in relation to Parts a, b c, e and f. Stanhope's interest in the policy is not only in relation to Royal Street but Borough wide.

In summary Stanhope consider that:

Part a) should be applied to office area uplift only

Part b) should allow for other types of affordable workspace to be provided such as retail/ leisure units particularly in the light of the recent Use Class order amendments that group office into a commercial uses Use Class including retail, restaurants, medical and leisure uses as this will support commercial start-ups of all uses.

Part c) should not have review mechanisms and should require the form of affordable workspace to be determined at the delivery stage as better products and forms of affordable workspace may be available later that will best serve local need.

Part e) should allow for offsite provision, or a payment in lieu equivalent to the cost of onsite provision.

Part f) should allow for more flexibility such as a policy compliant equivalent offer being acceptable without having to submit a detailed viability assessment.

Signatures

For LB Lambeth

Rob Bristow

Rob Bristow, Director Planning Transport and Development
Date: 4 December 2020

For GSTHFT

J A Sheu.
Director of Asset Management

Date: 4 December 2020

For the Charity

G Macdonald

Gail Macdonald, Property Director
Date: 4 December 2020

For Stanhope

R German

Rob German, Director
Date: 4 December 2020

Appendix 1

LB Lambeth's proposed amendments to Policy ED2 Affordable Workspace are shown in red below.

Proposed amendments to part (a) of the policy:

- a) In accordance with London Plan policy E3, the council will apply the following requirements for affordable workspace in the following locations:
- i) In Waterloo/Southbank and Vauxhall developments proposing at least 1000sqm ~~(GIA)~~ gross ~~B1a~~ office floorspace should provide 10 per cent of ~~the rentable~~ that floorspace ~~(Net Internal Area (NIA))~~ at 50 per cent of market rents for a period of 15 years;
 - ii) In Oval, Kennington and Clapham developments proposing at least 1000sqm ~~(GIA)~~ gross ~~B1a~~ office floorspace should provide 10 per cent of ~~the rentable~~ that floorspace ~~(NIA)~~ at 80 per cent of market rents for a period of 15 years;
 - iii) In the Brixton Creative Enterprise Zone (CEZ) developments proposing at least 1000sqm ~~(GIA)~~ gross ~~B1a~~ office floorspace should provide 10 per cent of ~~the rentable~~ that floorspace ~~(NIA)~~ as affordable workspace for a period of 25 years with the following discounts on market rents:

	<u>CEZ within town centre boundary</u>	<u>CEZ outside town centre boundary</u>
<u>Between 1000sqm and 5000sqm (GIA)</u>	<u>No discount</u>	<u>50 per cent of market rents</u>
<u>Between 5,001sqm and 10,000sqm (GIA)</u>	<u>65 per cent of market rents</u>	<u>65 per cent of market rents</u>
<u>Greater than 10,000sqm (GIA)</u>	<u>50 per cent of market rents</u>	<u>80 per cent of market rents</u>

Proposed amendments to part (d) of the policy:

- d) The affordable workspace should **normally** be made available for occupation at the same time ~~of as~~ or prior to first occupation ~~as of~~ the rest of the **B1a** office floorspace in the development. **Where affordable workspace is being provided through a phased mixed-use development, planning obligations will be required to ensure timely delivery.**

Proposed amendments to part (f) of the policy:

- f) Proposals that do not provide the level of affordable workspace required by this policy will be required to submit viability information, which will be independently assessed. Where this assessment determines that a greater level of affordable workspace could viably be supported, a higher level of affordable workspace will be required, **capped at the level required by the policy.** In addition, early and late viability reviews will be applied to all schemes that do not provide the level of affordable workspace required by the policy.

Proposed amendments to supporting text paragraph 6.14:

- 6.14 The policy will apply to all applications involving 1,000sqm or more gross **B1a** office floorspace ~~(GIA)~~ in the areas of Lambeth identified in part (a) the policy. This includes applications for the redevelopment and extension of existing offices, **but will not include office floor-space that is ancillary to, or integral to the operation of, a hospital or other healthcare facility.** The policy will also apply to planning applications that involve....

Proposed amendments to supporting text paragraph 6.23:

- 6.23 Applications that propose levels of affordable workspace below the policy requirement will be viability tested. Viability information must be submitted with the planning application in accordance with the requirements set out in the council's Development Viability SPD. Applicants will be expected to pay for the cost of the independent viability assessment. Viability tested schemes will be subject to viability reviews as set out in the Affordable Workspace SPD. Review mechanisms provide a reappraisal mechanism to ensure that maximum public benefit is secured over the period of the development. They allow increases in section 106 contributions **up to the level required by the policy,** to reflect changes in the value of a development from the date of planning permission to specific stages of the development programme.