



Our Ref:
Your Ref:

13th March 2020

Planning Policy Team
London Borough of Lambeth
PO Box 734
Winchester
SO23 5D

65 Gresham Street
London
EC2V 7NQ

T: +44 (0)20 7911 2468
F: +44 (0)20 7911 2560

avisonyoung.co.uk

Dear Planning Policy Team

Representations to the Draft Revised Lambeth Local Plan Proposed Submission Version (January 2020) (Regulation 19 Consultation) Connected Living London

We write on behalf of Connected Living London (CLL) to provide representations to the Lambeth Local Plan Regulation 19 consultation.

CLL is a joint venture between Transport for London and Grainger Plc. They are the applicant seeking planning permission to redevelop two large sites in the borough for Built-to-Rent residential schemes:

1. Nine Elms Station (over-station development site), 10 Pascal Street, SW8. Site area: 0.67ha. Planning application for c.479 homes and associated non-residential uses under preparation; and
2. Montford Place, SW9. Site area: c.0.4ha. Planning application for 139 homes and c.2,700sqm of employment space under preparation.

CLL intends to submit both planning applications in spring 2020 and aims to commence development by March 2021. It will be the owner/operator of the schemes once complete.

Our representation is limited to Policy H12 (Build to Rent) which is not sound as currently drafted. We provide recommendations on amendments necessary to make the policy sound. We would be keen to meet and discuss in order that we can agree these amendments and reach a common agreed position in advance of the plan being submitted for independent examination.

1. The Principle of BTR

NPPF para. 61 requires that the need for rented homes should be assessed and reflected in planning policies. The PPG clarifies that if a need is identified, authorities should include a local plan policy setting out their approach to promoting and accommodating build to rent (Paragraph: 001 Reference ID: 60-001-20180913).

It goes on to provide a definition for Built-to-Rent at Annex 2, as follows:
Purpose built housing that is typically 100% rented out. It can form part of a wider multi-tenure development comprising either flats or houses, but

should be on the same site and/or contiguous with the main development. Schemes will usually offer longer tenancy agreements of three years or more, and will typically be professionally managed stock in single ownership and management control.

The London SHMA (2017) and the Lambeth SHMA (2017) both consider the needs of the Private Rented Sector (PRS), which includes BTR, however do not attempt to assess the need for private rented housing separately from owner occupied homes. Both SHMAs recognise that PRS plays an important role in providing private sector housing, and which is likely to play an even greater role going forwards. The significant need for new private housing is established in the draft London Plan and the draft Lambeth Local Plan, which by default confirms that there is a significant need for private rented housing (including BTR) within Lambeth. Accordingly, the London Plan and Lambeth Local Plan should include policies setting out their approach to promoting BTR.

Draft London Plan para. 4.11.1 accords with this by requiring boroughs to take a positive approach to the Build to Rent sector to enable it to better contribute to the delivery of new homes and deliver significant stated benefits to Londoners. Para 4.11.13 notes that boroughs can provide further support to BTR by supporting institutional investment on public sector land, including the use of joint ventures, which is particularly relevant to CLL's emerging plans.

Accordingly, we support the draft Local Plan's stated support for BTR development in the first sentence of Policy H12.

2. Affordable Housing

The affordable housing policy requirements set out in Parts (a) to (d) of draft Policy H12 impose significant barriers to the delivery of BTR. This is in clear conflict with the first sentence of the policy, the draft London Plan, and the NPPF/PPG and is not justified by evidence. Accordingly, this element of the policy is not sound and requires revision.

Draft London Plan para 4.11.2 formally establishes the principle in development plan policy terms that the BTR sector has distinct economics to the build-for-sale sector and, that in order for BTR development to be deliverable, affordable housing planning policies must be applied differently. This is firmly in line with the NPPF and PPG, and is the principal matter dealt with in draft London Plan Policy H11. These principles are not properly accounted for in draft Local Plan Policy H12 which is the principal reason why it is not sound.

We consider each of the key components of this matter below:

(i) Affordable Housing Proportion

The PPG states that 20% is generally a suitable benchmark for the level of affordable private rent homes to be provided in any BTR scheme. If local authorities wish to set a different proportion they should justify this using the evidence emerging from their local housing need assessment, and set the policy out in their local plan. Similarly, the guidance on viability permits developers, in exception, the opportunity to make a case seeking to differ from this benchmark (Paragraph: 002 Reference ID: 60-002-20180913).

To follow the Fast Track Route, draft London Plan Policy H11 requires schemes to deliver at least 35% affordable housing (50% where the development is on public sector land) while also according with the broader provisions of Policy H5 which require applicants to seek grant funding to increase the proportion beyond the minimum threshold level. Schemes must follow the Viability Tested Route where this requirement is not met.

Draft Lambeth Local Plan Policy H12 defers to draft London Plan Policy H11 for this matter, which we support.

Recommended policy amendments: None.

(ii) Affordable Housing Product

NPPF Annex 2 confirms that Affordable Private Rent is expected to be the normal form of affordable housing provision in BTR schemes. The PPG reiterates this, stating that Affordable Private Rent (APR) should be the default form of affordable housing in BTR schemes (Paragraph: 002 Reference ID: 60-002-20180913).

Draft London Plan Policy H11 is consistent with this, stating that the affordable housing offer can be solely Discount Market Rent (DMR) (the London specific equivalent of APR), but also allows boroughs to require a proportion of affordable housing as low-cost rented homes in BTR schemes, where this is justified in a development plan.

Draft Lambeth Local Plan Policy H12 requires 70% of the overall affordable housing provision in BTR schemes to be low-cost rent and 30% DMR. The draft plan attempts to justify this in the supporting text on the grounds of local priority housing needs (para 5.112).

The requirement to provide low-cost rent is not sound. The justification provided is too simplistic, ignoring the requirement to meet housing needs as a whole (not just certain elements). The justification conflicts with the fundamental principles that underpin Draft London Plan Policy H11, the NPPF and the PPG (in respect to BTR). As discussed above, the reason that the NPPF/PPG and the draft London Plan put in place distinct affordable housing policies for BTR is in order to create a level playing field with the build-for-sale sector. The BTR sector has distinct economic characteristics which must be accounted for in local plan policies if they are to support the delivery of BTR, which is specifically required by national and London Plan policy.

If affordable housing policies are not varied for the BTR sector, BTR development will simply not be viable (when compared to build-for-sale schemes) and will therefore not be delivered in the Borough on the grounds of basic economic principles. The significant benefits to Lambeth residents of BTR development that would otherwise be realised will be lost. This will include reducing the likelihood of the Borough achieving the minimum housing targets set by the new London Plan noting that these are based on assumptions regarding deliverability (including run-rates) which are reliant on BTR. In turn, this would therefore conflict with draft Lambeth Local Plan Policy H1 and draft London Plan H1, for which there is no justification.

Recommended policy amendments: Correct draft London Plan policy references to Policy H11 in the first two sentences of Policy H12. Delete Parts (a) and (b) from draft Policy H12 (rely on content of draft London Plan Policy H11) in order that affordable housing provided as part of BTR schemes can be 100% DMR.

(iii) Affordable Housing Rent Levels

In the specific context of BTR, and in the context of national affordable housing policy, the PPG requires Affordable Private Rent levels to be set at least 20% less than the private market rent (Paragraph: 003 Reference ID: 60-003-20180913)

To follow the Fast Track Route, draft London Plan Policy H11(part C)) expects at least 30% of DMR homes to be provided at an equivalent to London Living Rent (LLR) with the remaining 70% at a range of genuinely affordable rents (the Mayor's London Housing Strategy provides a definition for this). Schemes must follow the Viability Tested Route where this requirement is not met.

Footnote 67 allows Boroughs to publish guidance setting out the proportion of DMR homes to be provided at different rental levels to benefit from the Fast Track Route. In setting local DMR requirements boroughs should have regard to the relationship between the level of discount required and the viability of achieving the relevant threshold level. This emphasises that the principal objective of London Plan affordable housing policy is for schemes to be able to achieve the relevant threshold level, as the means to achieving the Mayor's strategic 50% affordable housing target (Policy H4).

Para 4.11.10 makes clear that DMR is an intermediate product and therefore it is not appropriate to seek DMR at or close to social rent levels.

Recommended policy amendments: Delete Parts (a) and (b) from draft Policy H12 (rely on content of draft London Plan Policy H11) in order that as a starting point to qualify for the Fast Track Route 30% of DMR homes are provided at LLR levels and 70% at a range of 'genuinely affordable levels'. Either refer to the Mayor's Housing Strategy definition of 'genuinely affordable levels' or introduce borough specific guidance which should be determined by a viability appraisal and should not be at or close to social rent levels.

(iv) Affordable Housing Provider (Role of Registered Providers)

NPPF Annex 2 confirms that the landlord of Affordable Private Rent homes (within BTR schemes) does not need to be a Registered Provider (however it does not preclude it). The PPG explains further, by stating that such homes should be managed collectively (with the market rent units) by a single BTR landlord (Paragraph: 002 Reference ID: 60-002-20180913).

The draft London Plan is consistent with this, stating that the affordable housing can be entirely DMR and managed by the BTR provider and delivered without grant, with unified ownership and management of the private and affordable elements of the scheme.

However, as explained above in order to satisfy the requirements of Part C of draft London Plan Policy H11, it is necessary to seek grant funding to increase the level of affordable housing beyond the relevant threshold level. Under grant funding rules, grant can only be provided to a Registered Provider, it cannot be provided to 'regular' BTR providers. This means that if BTR schemes are to increase affordable housing proportions via the use of grant, it will be necessary for that affordable housing to be owned and managed by a separate Registered Provider which is not consistent with the principles of unified ownership/management referred to above. This creates a policy conflict between Policy H4, H5 and Policy H11 part B(5) (presumably unintended). Draft Local Plan Policy H12 does not account for this, however offers the opportunity to resolve this conflict (at the borough level) by allowing the option for Registered Providers to provide the affordable housing element within BTR schemes where grant funding is being used.

Notwithstanding this, draft Local Plan Policy requires BTR proposals to provide low-cost rent affordable housing managed independently by a Registered Provider where the scheme has the potential to include more than one block/core. For the reasons discussed above, the requirement to provide low-cost rent is in principle not sound therefore the requirement to include a Registered Provider is also not sound (as opposed to the option referred to above).

Recommended policy amendments: Delete Parts (a) and (b) from draft Policy H12 to remove the requirement for a proportion of affordable homes to be managed independently by a Registered Provider. Amend the policy to specifically state that for schemes using grant to increase affordable housing provision beyond the relevant threshold level, that the affordable housing element can be owned and managed separately to the private elements of the scheme (by a Registered Provider). In this scenario, the Council will accept that the scheme will still satisfy the BTR criteria set out at London Plan Policy H11 including in respect to unified ownership/management. Where grant is not used, the default position is that the BTR provider will provide the affordable homes.

(v) Viability Tested Route

The PPG recognises that there is a viability inter-relationship between the amount/proportion of affordable housing and the level of discount applied, noting that there is potential for trade-off between these matters and that this can vary over the life of a development (Paragraph: 005 Reference ID: 60-005-20180913).

Draft London Plan Policy H5 indicates that if following the Viability Tested Route, the focus should be on ascertaining the maximum level (i.e. quantum) of affordable housing that a scheme can afford as opposed to increasing rent discounts beyond the expectations set out in Policy H11. This is consistent

with the focus of Footnote 67 and Policy H4, which clarify that priority should be given to maximising the quantum of affordable housing up to the relevant threshold level (increasing discounts is not stated as a priority or objective).

Draft Lambeth Local Plan Policy H12(a) states that the Council will seek the 'optimum' affordable housing offer from proposals following the viability tested route, however 'optimum' is not defined which creates uncertainty (and poses risks to deliverability).

Recommended policy amendments: Amend Policy H12 to clarify that priority will be given to maximising the quantum of affordable housing up to the relevant threshold level, over increasing levels of discount to below benchmark levels, for applications following the Viability Tested route.

(vi) Affordable Housing Eligibility and Nomination Rights

The PPG is clear that decisions over occupancy criteria and eligibility should be made by the BTR provider. It is specifically stated that local authorities should refrain from having direct nomination rights from their Statutory Housing List.

The principle that the BTR provider has control over occupancy of affordable homes is confirmed in the draft London Plan. Para 4.11.4 requires that DMR should be allocated according to intermediate eligibility criteria, which can include locally defined eligibility criteria. Where the borough has an intermediate or DMR waiting list they should agree with the applicant a process for providing priority access to the DMR units for those on the waiting list.

Part C of draft Local Plan Policy H12 seeks to defer the terms of letting the affordable units to the planning application stage. In order to create more certainty (and therefore help deliverability), we consider that further detail should be provided.

Recommended policy amendments: Amend Policy H12 (c) to confirm that eligibility for DMR homes will be based on GLA intermediate edibility criteria, and that the Council will not expect to have nomination rights.

(vii) Distribution of Affordable Housing

The PPG requires affordable housing (within BTR schemes) to be distributed throughout the development. There is no requirement for 'pepper-potting' (Paragraph: 006 Reference ID: 60-006-20180913).

As discussed above, there are circumstances where it may be necessary for a Registered Provider to provide the affordable housing which will require it to be separate from the private rented units (separate block/core).

Recommended policy amendments: We recommend that this is discussed in the supporting text to Policy H12.

(viii) Clawback

The PPG confirms that the principal purpose of imposing a clawback mechanism into BTR policy is to be able to recoup the value of affordable housing provision that is withdrawn if a BTR scheme is sold and the Affordable Private Rent (DMR) homes are converted to another tenure. Draft London Plan Policy H11 requires a clawback provision but does not explain how this is to be calculated in practice (referring to guidance), which creates uncertainty for applicants and BTR providers. The new Lambeth Local Plan offers the opportunity to provide clarity. We recommend that Policy H12 should cross refer to the guidance provided in the PPG as well as the new London Plan policy which should be the basis for s.106 obligations attached to relevant planning consents.

Recommended policy amendments: Amend part (d) of the Policy H11 to state that *A clawback mechanism will apply in accordance with London Plan Policy and the guidance set out in the PPG.*

3. Covenant Period

The PPG states that consideration should be given to a covenant period for the retention of private market rent homes in that tenure and potential compensation mechanisms in the event that private market rent homes are sold before the expiration of an agreed covenant period. Importantly, the PPG is clear that planning authorities should recognise that build to rent operators will want sufficient flexibility to respond to changing market conditions and onerous exit clauses may impede development (Paragraph: 007 Reference ID: 60-007-20180913).

Draft London Plan Policy H11 requires a covenant period of at least 15 years for BTR development in London, noting (at Footnote 66) that the period should increase beyond the 15 year starting point only as the market matures. We note that this period has been informed by public examination (including extensive participation of the BTR industry) to ensure deliverability.

The BTR market in London has not yet matured. BTR homes currently make up a tiny proportion of homes therefore there is no London Plan policy justification for a longer period to be required by the Lambeth Local Plan.

Furthermore, the proposed 25 year covenant period would conflict with the PPG as it is considered onerous in the investment market, and effectively imposes a discount to the scheme's investment value. By extension this would have a severe impact on the viability and therefore deliverability of BTR schemes which is in clear conflict with the specifics of the PPG and London Plan para. 4.11.1 which require boroughs to adopt a positive approach to the Build to Rent sector to enable it to better contribute to the delivery of new homes.

Recommended policy amendments: Amend Policy H12 Part (d) to 15 years.

4. Next Steps

We trust that these representations are helpful and will assist the Council in making the draft plan sound. We request to be kept informed of progress with the preparation of the new Local Plan and request to participate in the public examination.

We have attached our representations to the Regulation 18 consultation to this letter for your ease of reference.

Yours sincerely



Nick Alston
Principal
020 7911 2056
Nick.alston@avisonyoung.com
For and on behalf of Avison Young (UK) Limited

Regulation 18 Representations



17 December 2018

Our Ref: TfLCD/LBL/LPR/JW/LB
Your Ref:

Transport for London
Commercial Development
(Property Development)

Planning Strategy and Policy Team,
London Borough of Lambeth,
1st Floor, Phoenix House,
10 Wandsworth Road,
London, SW8 2LL

3rd Floor, Wing Over Station
55 Broadway
London
SW1H 0BD

By email: localplan@lambeth.gov.uk

Dear Sir or Madam

Draft Revised Lambeth Local Plan 2018

Thank you for the opportunity to comment on the Local Plan partial review key issues.

TfL is a significant land owner in the borough. Please note that our responses below represent the views of the Transport for London Commercial Development (TfL CD) planning team in its capacity as a significant landowner in the borough only, and do not form part of the TfL corporate response. Our colleagues in TfL Borough Planning will provide a separate response, to this consultation, in respect of TfL-wide operational and land-use planning / transport policy matters as part of their statutory duties.

TfL CD works to identify development opportunities throughout our landholdings. We work to unlock underutilised land through pursuing innovative solutions to enable development on our sites. We are committed to providing exemplary development that will show case the Mayors objectives of providing good growth. TfL CD has identified a number of sites in the borough for residential led, mixed-use development which will make a significant contribution towards meeting borough and TfL housing targets, as well as improved public transport infrastructure. These sites are set in out appendix I of this consultation response.

Our representations in respect of the draft revised Local Plan are set out below in accordance with your key topic headings and, when appropriate, in response to the questions you have asked.

Section 1: Introduction

Paragraph 1.6 states that additional site allocation policies may be brought forward in a subsequent Site Allocations Development Plan Document. TfL CD has identified a number of sites in the borough which are currently unallocated and would be potentially suitable for residential led, mixed-use development which will make a significant contribution towards meeting borough and TfL housing and employment targets. These are set out in Appendix I.

Section 3: Spatial Strategy, Vision and Strategic Objectives

We support the 'focus for growth and development on Waterloo and Vauxhall (supporting the London Plan Opportunity Areas) and town centres. We agree that there is a need to address the issues of transport capacity and other physical infrastructure in key locations in Lambeth.

TfL CD is seeking to optimise development on sites in both the Vauxhall and Waterloo opportunity areas that well connected to public transport in line with the Mayors Transport Strategy and Draft London Plan, and we believe that the vision should recognise such sites are a suitable location for the optimisation of residential and commercial development.

Policy H2 Delivering affordable housing

We are supportive that Lambeth's approach to delivering affordable housing is in line with Policy H6 in draft London Plan. TfL has an agreement with the Mayor to deliver at least 50% affordable housing across its development land in London. In line with draft London Plan policy H6, individual sites which meet or exceed 35% affordable housing and the required tenure split may be considered via the fast track route. TfL CD plans to bring forward several sites in Lambeth in the near future and looks forward to working with the borough to bring forward appropriate levels of affordable housing on these sites.

There is an opportunity to go further to promote the delivery of 100% affordable housing schemes on suitable public land, particularly through community led development. TfL owns a site adjacent to Christchurch Road and Streatham Hill road which would be suitable for such a development (please see appendix I for more information).

Policy H12 Build to Rent

The policy sets out the Borough's approach to the delivery of Build to Rent (BTR) units within the Lambeth. Whilst we welcome the inclusion of the policy and clarification on this product type, we have some concerns over the wording which are as follows:

- Affordable housing and the preference for a secondary, demarcated separate core:
 - o We consider that this preference could adversely impact viability of schemes where secondary cores are not the natural solution in design terms.
 - o Justification in design terms might be difficult 'to the council's satisfaction' is vague;
 - o Separate cores which require party wall arrangements and / or complicated building ownership structures will not eradicate the majority of institutional investors' requirements / concerns and therefore the need for DMR. As such, the separate core would not satisfy the problem DMR has been intended to resolve.
 - o We note that Discounted Market Rent (DMR) can be 'low cost rented accommodation' and owners / managers professional bodies with a great deal of experience in managing property. We do not therefore understand the council's preference for a Registered Provider to be involved.
 - o On a scheme like Montford Place or others, the developer would be forced to include an affordable core and sell or lease to an RP. Tenants of this building would then not benefit from the same services or amenities as being offered by the owner of the BTR units – unlike if the DMR units were genuinely tenure-blind and pepper potted throughout the development. These units are likely to be of lesser quality than the private ones as a result. BTR and DMR would be far more likely to create socially inclusive and mixed communities than the council's preference.

- Rental Levels
 - o We would encourage the council to seek rents as per the Draft New London Plan (i.e. 30% at London Living Rents and the remainder to be agreed locally). This will allow flexibility in approach and reflect that development viability will vary from one site to another.
- 25 Year covenant
 - o What is the justification for increasing the covenant as recommended in the London Plan? Particularly in light of the clawback provisions to be included in the 106 agreement.
 - o Has the council sought VAT advice to ensure this is acceptable / deliverable?
- Unit allocation and nominations
 - o We would like to confirm there is a suitable procedure in place to ensure that units are occupied and not left empty.
 - o Unit allocation needs to be fixed and marketing of these units should be fixed via a marketing agreement.

As a separate point, we note there have been no instances of Build to Rent having been approved in the Borough to date and that other Boroughs in London have, as well as the Draft New London Plan, recognised the importance of the tenure in product diversification across the capital and the important role it can play in the UK housing sector.

Private renting is the only growing tenure in the UK and whilst affordability constraints are responsible for a considerable proportion of this demand, many tenants are choosing to rent for longer periods than historically, allowing them flexibility longer term. It is therefore paramount that we effectively and not prohibitively encourage delivery of, and investment in, this tenure.

Build to Rent and the merits thereof have been well documented, and TfL CD is especially passionate about the delivery of long term investment into this location and others across London. They will be delivering high-quality homes, bespoke designed for the rental sector and a considerable proportion of these as Discounted Market Rent, allowing them to own and manage the units in house. In this way they will ensure a commitment to local people but that those on lower incomes will benefit from longer tenancies, quality accommodation, services and amenity space in what will be a wholly inclusive environment, rather than one where the affordable units are clearly delineated and tenants left as bystanders.

This approach has been welcomed and effectively implemented across London and we would now like to work with Lambeth to ensure the delivery thriving Build to Rent communities for the long term.

Policy EDI Offices (B1a)

The Local Plan should recognise the Montford Place – Beefeater/Oval Gasworks KIBA and the surrounding neighbourhood as a significant office location suitable for large office proposals over 1,000 sqm (GEA).

The proposed changes to the KIBA mean it is no longer a major industrial cluster. Instead it is

transforming into primarily mixed use zone with residential and a growing provision of office floorspace. The significantly increased levels of housing surrounding the Montford Place site means its future development will need to respect the surrounding residential character.

Additionally, the redevelopment of the Montford Place site should help to further enhance the area's increasing economic performance. The OGW scheme will deliver 10,000 sqm of office to the area centred around its purpose-built Generator building for shared workspace and office suites. The Foundry already exists in the western part of the KIBA which provides offices and conference and meeting space. The Tesco site recently achieved a resolution to grant planning permission for over 2,500 sqm of offices and other flexible commercial floorspace alongside significant amounts of new housing.

The existing office provision in Kennington / Oval and the increased future role of new office development within the Montford Place – Beefeater/Oval Gasworks KIBA warrants the area's inclusion in Policy ED1 as a potential location suitable for large offices.

Flexible Workspace Requirement

The ambition for flexible workspace is supported in that it enables a range of business types and sizes to operate alongside one another and enable opportunities for different supply chains and business to businesses relationships to connect and strengthen. Flexible workspaces are also attractive to SMEs and micro companies due to their more flexible leases and shared services such as WiFi; printing; meeting rooms; event and café spaces.

ED2 Affordable Workspace

The policy proposes a requirement for Affordable Workspace in the area surrounding the Montford Place site as follows:

In Oval, Kennington and Clapham major developments should provide 10 per cent of BI floorspace at 80 per cent of market rents for a period of 15 years.

It is unclear as to why Affordable Workspace is required in Oval and Kennington when these areas are not identified in Policy ED1 as locations where larger office developments are supported.

Applicability to B1c Use Class

Draft Local Plan Policy ED2 does not make distinctions between the different BI Use Classes so it could be assumed that the policy applies to all of them. Of particular concern is whether the policy is proposed to be applied to the B1c Use Class. If it is applicable to B1c floorspace then this would put a significant burden on its viability. Rents for B1c floorspace are typically lower than those for offices.

On page 4 of the Local Plan and Community Infrastructure Levy Viability Review (July 2018) it shows that viability tests of the policy have been conducted on office development scenarios. The Brixton Creative Enterprise Zone: Affordable Workspace Analysis (August 2018) is completed for office development as well. This indicates that no viability testing has been undertaken on the impact of Draft Policy ED2 on B1c floorspace.

We recommend that the policy is amended to make it clear Affordable Workspace requirements are not applicable to B1c floorspace.

Impact of Affordable Workspace on Viability

As discussed above the Kennington and Oval area, and the Montford Place – Beefeater/Oval Gasworks KIBA; are becoming increasingly attractive office locations. The significantly lower rents in these locations make them attractive to SMEs and larger businesses priced out of the prime office locations in Lambeth

The office rents achievable for the Montford Place site are considered to be circa £35 per square foot. These rents are considered to be only marginally viable for new multi storey office development to Category A specification. However a 20% discount to this rent over a 15 year period for a proportion of new office space; along with increasing Mayoral CIL charges; are likely to make office floorspace provision unviable in some locations. Considering rents can be over double in prime office locations such as Vauxhall or Nine Elms at circa £80 per square foot these areas should be the prime focus for Affordable Workspace (office) provision.

While we appreciate the Draft Revised Local Plan proposes a more stringent Affordable Workspace requirement in Waterloo and Vauxhall; the proposed Affordable Workspace levels for Kennington and Oval are still significant. Based on the findings of the Local Plan and Community Infrastructure Levy Viability Review the policy would reduce the RLV for office development in Zone B (where the Montford Place site is located) of between 3.8% to 5.1%. In locations where office rents are only marginally viable; this level of impact could make new commercial provision unviable. This is counterintuitive as it will reduce the amount of commercial floorspace that will come forward in the very locations where office rents are more affordable for SMEs and businesses priced out of the prime Zone A office locations.

Impact of Affordable Housing provision alongside Affordable Workspace

Developers of mixed use schemes typically use the more value-generating parts of a scheme (such as the residential element) to subsidise the less viable elements such as workspace. However if the residential element of the scheme is required to deliver higher levels of affordable housing in addition to the requirement to deliver affordable workspace then overall scheme viability and deliverability could be jeopardised.

The Draft Revised Local Plan should recognise that the imposition of affordable policies on both the residential and office element of a scheme could have the cumulative impact of jeopardising scheme wide viability because it limits the scope for cross subsidy. It would enhance deliverability if there was the potential for there to be an offset between the two policies to improve the scope for deliverability.

The Montford Place site is a KIBA which is equivalent to the London Plan's Locally Strategic Industrial Site (LSIS) designation. Such sites are required to meet either 35% or 50% affordable housing threshold depending on whether they meeting the industrial capacity requirements detailed in the Draft London Plan. This is considered particularly onerous in a location where the Council is wishing to see intensified commercial activity; particularly given how small the Montford Place site is.

ED3 Key Industrial and Business Areas (KIBA)

Industrial Intensification and Affordable Housing

TfL CD fully support the effort to intensify industrial uses and believe it is an important element which ensures industrial floorspace capacity is enhanced in London. With this in mind the apparent move to lower the Affordable Housing threshold to 35% from 50% Affordable

Housing provision where there is no overall net loss of industrial floorspace capacity in designated SIL and LSISs is welcome. However, industrial capacity judged at 65% plot ration is extremely difficult to achieve on small sites such as Montford Place which is only 0.4ha in size based on access and servicing requirements for industrial uses and the surrounding residential amenity.

Policy Lacks Clarity on Applicability of B1a Office Uses

Part A of the policy states:

'Development in KIBAs will be permitted only for business, industrial, storage and waste management uses...'

The supporting text in the policy states:

'Business, industrial and storage' uses include all uses in the B use class (B1, B2 and B8)..' (Our underlining.)

This text implies that B1a offices would be appropriate development in the KIBA. It is unclear if this is the intention of the policy. Part B of the policy refers to the intensification of business uses in Use Classes B1b, B1c, B2 and B8 and does not mention B1a uses.

Montford Place Site Redevelopment Considered More in Keeping with Oval Gas Works Scheme

The Montford Place site is identified for mixed use development in the OAKDA masterplan. A mixed use, residential led scheme with B1 Use Class premises is the most appropriate use for the site in light of Berkeley Homes' redevelopment of the Oval Gas Works. The Oval Gas Works and Montford Place site face one another. An industrial use at the Montford Place site would adversely impact the residential amenity and place-making of the OGW scheme.

The amount of existing industrial premises in the KIBA has decreased markedly over the years. The only remaining industrial activity is the Big Yellow Self Storage building and possibly some small scale B2 uses in the Beefeater Gin Distillery. Most of the industrial premises associated with the Gin Distillery has been demolished or had a change of use. The site is now primarily used for its visitor centre and tour of the historic distillery. We estimate there to be about 9,000 to 10,000 square metres of industrial floorspace within the Big Yellow Self Storage building comprising about 90% to 95% of total industrial provision within the Montford Place – Beefeater/Oval Gasworks KIBA.

In contrast to the diminished level of industrial provision, the quantum of office accommodation and other non-industrial uses is growing in the KIBA. The OGW scheme includes 10,160 square metres of offices. The Foundry (17 Oval Way) is comprised of offices for about 25 organisations and meeting spaces. We estimate there is about 2,000 square metres of offices. The Big Yellow Self Storage premises and the Beefeater Gin Distillery also have an element of offices. There are additional non-industrial uses in the three sites that are proposed to be removed from the KIBA in the Draft Revised Local Plan. We estimate there to be about 13,000 to 14,000 square metres of existing and proposed offices in the KIBA. There is considerably more office development in the surrounding area in close proximity to the KIBA.

Wider Economic Benefits of Mixed Use Redevelopment

Mixed use developments typically achieve more intensive site usage for which greater economic value is generated than one that is in single use. Mixed use also creates benefits to

the wider neighbourhood because the site generates a greater variety of activities. The proposed mixed use scheme for the Montford Place site will help to optimise its development potential; it will be of a high quality design in keeping with the wider regeneration of the area; it will include a wider package of s106 and higher CIL revenues; generate increase public sector revenues such as Council Tax and New Homes Bonus; make public realm improvements; provide new homes include Affordable units; be of a zero carbon design in line with policy and will bring new residents and workers to the area which will increase local spend in local town centres.

In terms of jobs the circa 2,100 sqm of commercial floorspace once fully occupied could provide up to 208 onsite jobs based on it being used 100% as offices. Alternatively if the commercial space was used 50% for offices and 50% for workshops (B1c) the site would provide up to 124 onsite jobs once fully occupied. This configuration is considered possible given the commercial floorspace can be designed to benefit from two separate entrances off Montford Place. 100% B1c use of the ground floor would create 42 onsite jobs once fully occupied. These employment levels are significantly higher than the 462 sqm of offices generating 39 full time equivalent jobs envisaged in the OAKDA Masterplan.

Another benefit of mixed use development is that some of the residents are likely to work from their home. The combination of homeworkers with onsite employment premises tends to generate greater economic activity compared to a mono-use site.

ED15 Employment and Training

We support this policy in principle. It accords with draft London Plan Policy E11.

We believe that a minimum of 25% all jobs created by the development (in both the construction phase and for the first two years of end-use occupation of the development) is a worthwhile policy aspiration but is still likely to be difficult to achieve.

The unemployment rates in Lambeth and Greater London is currently 5.5% and 5.1% respectively. These low unemployment rates could make it difficult for new development to achieve the 25% target. London's workforce is highly mobile and it is quite common for workers to be employed outside of the local authority where they live. With regard to the construction sector, the Annual Population Survey (July 2017 to June 2018) shows that about 10,700 Lambeth residents work in the construction sector. However, according to the Business Register and Employment Survey there are only approximately 4,500 construction jobs in the Borough. This suggests that most Lambeth residents in the construction sector are employed outside of the Borough.

Whilst likely that some of the workers would prefer to work locally, it may be difficult to recruit them if they are already employed elsewhere. There is currently an acute shortage of construction workers in London which is being further exacerbated by Brexit negotiations. While labour supply in the Borough for the construction sector is high, construction workers often have little control over the location of their workplace. It is doubtful that construction workers who are currently employed outside the Borough would choose to relocate their job to Lambeth if it required a change of employer. The benefit of an easier commute is likely to be temporary and would probably be outweighed by the risk of changing to a new employer. A similar dynamic is likely to be found in other sectors of the economy.

Policy T7 Parking

It is welcome that Lambeth's policy is in line with Policy T6 of the draft London Plan. TfL CD is promoting residential development on sites in Lambeth with high PTAL ratings which will be suitable for car free development. Cycle parking at draft London Plan standard will be incorporated into all development on TfL land.

Policy Q25 Views

The Policy should provide further clarification on what constitutes harm to a silhouette of a building in the views listed in the policy. The policy states that "no background development" should harm the silhouette of assets listed within the policy but does not detail whether well designed background development behind listed view asset may be considered appropriate.

TfL owned land (please see Appendix 1: North Vauxhall site) sits directly behind the M16 Building which is specifically referenced as an Asset with a Landmark Silhouette (view number xvii). We believe that we can bring forward a development which has no harmful background impact on the silhouette of the M16 building on this land in line with the Vauxhall, Nine Elm and Battersea OAPF. Page 120 of the OAPF shows the location of TfL owned land (shown in the red line map in appendix 1) as being in a suitable location for tall buildings of up to 150m and the Local Plan should conform with the policy set out in this document. The policy should make clear that taller buildings in the background of silhouettes of listed assets may be appropriate in certain locations, or remove view xvii (Millbank to M16 building) from the policy.

Policy PN1 Waterloo and Southbank

TfL CD broadly supports the vision for Waterloo and Southbank set out in this policy. We particularly agree that the area around Waterloo station is suitable for large commercial developments in line with the Waterloo Opportunity Area Planning Framework objective to provide 15,000 new jobs.

TfL support the policy objectives to improve to public realm in the area, particularly between Waterloo station and Southbank as this is currently difficult for pedestrian navigation. TfL is proposing the reconfiguration of the IMAX roundabout with the South Western arm of the roundabout closed to provide new and enhanced public. Further information on this road configuration can be found in the TfL Spatial Planning statutory response to this consultation.

The road reconfiguration and new public realm will facilitate the delivery of large commercial led developments adjacent to and above the (IMAX) (shown as site 3 in Annex 11). The policy recognises the need to deliver new development Site 3 (IMAX) in the Waterloo Tall Buildings Map (Annex 11 of the draft Local Plan) should be amended to include the new space created by the facilitated by the road reconfiguration.

Policy PN2 Vauxhall

TfL CD are supportive of the vision for the Vauxhall area set out within the draft Local Plan which is mainly consistent with the objectives set out in the OAPF for the area. *It is welcome that the draft Local Plan recognises that Vauxhall will see the development of approximately 3,500 new homes and the creation of at least 8,000 new jobs within a new district centre.* It is welcome that the borough is supportive of the proposed reconfiguration of Vauxhall Gyratory one-way system to improve the pedestrian and public transport experience in the area.

The new planned road configuration will enable strategic to the north of Vauxhall Bridge Road/Kennington Lane to the east of Albert Embankment to come forward for development. This land can play a role in the creation of the district centre for Vauxhall and help in meeting the target for 3,500 new homes and 8,000 new jobs. Development on the site would enhance the setting of the railway arches to the East and be designed so as not to have a detrimental impact on the setting of the M16 building to the West. The ground floor uses of the property could be A1 in line with the objectives of the draft Local Plan.

The draft Local Plan could recognise the suitability of this site for residential development by providing a separate site allocation. Please see appendix I below for further information regarding a potential site allocation.

TfL CD welcomes Lambeth's recognition that Vauxhall bus station is suitable for redevelopment. TfL CD will work closely with Lambeth regarding the redevelopment of the bus station and there may be an opportunity to optimise residential development in suitable locations at this site in the future.

Concluding Remarks

We trust that we have provided sufficient information for the Council to be able to consider our representations in respect of the draft revised Local Plan 2018 consultation. However, if you require any additional information, please do not hesitate to contact me or my colleague Jonathan Woolmer.

Yours faithfully

Jonathan Woolmer

Appendix I: Potential additional site allocations

1. Montford Place

Site Name	Montford Place
PTAL rating	6A
Proposed uses	Mixed use development (B1B and B1C uses with residential development)
Planning allocations (Current and Draft Local Plan)	Current Local Plan: Within a Key Industrial and Business Area. Draft Local Plan: Allocated within Key Industrial and Business Area as suitable for a co-location of industrial and business uses.
Site Context	<p>Montford Place is currently cleared of permanent built structures and is being used by TfL for tunnelling and storage purposes in relation to the Northern Line extension. Once the site becomes available for redevelopment it is TfL CD's intension to bring if forward for mixed use development for both residential and employment floorspace.</p> <p>It is important any redevelopment of the site draws upon and supports the wider regeneration occurring in the surrounding area. A notable example is the recently granted (subject to s106) Oval Gas Works (OGW) scheme for 738 residential units alongside 10,160 sqm of office floorspace; 800 sqm of waste management use and 148 sqm of D1 community space. This will create a major new mixed use development in the centre of the Montford Place – Beefeater/Oval Gasworks KIBA.</p> <p>The Draft Revised Lambeth Local Plan has responded to these changes by removing the area covered by the OGW scheme (Parcel 4) from the KIBA. Parcel 9 is also identified for de-designation from the KIBA given the existing buildings are in residential uses and have limited potential for additional employment use given their listed status and location within a conservation area.</p> <p>-</p>

2. North Vauxhall

Site Name	North Vauxhall
PTAL rating	6B
Proposed uses	Mixed use development
Planning allocations (Current and Draft Local Plan)	Unallocated
Site Context	<p>The reconfigured Vauxhall Gyrotory will produce a new area of land adjacent to the eastern side of Albert Embankment and the northern side of Vauxhall Bridge Road/Kennington Lane. This land has the potential to deliver mixed-use development, in line with the objectives of the Vauxhall Opportunity area (P120). Development would enhance the setting of the railway arches to the East. Development at this location was previously shown in the Vauxhall SPD produced by Lambeth (2013). Please see the map below showing the potential reconfigured road layout</p>

	in the gyratory system and the location of the potential development.
--	---

3. Land at Christchurch Road and Streatham Hill

Site Name	Land at Christchurch Road and Streatham Hill.
PTAL rating	6A
Proposed uses	Community-led residential development (100% affordable) with publicly accessible open space.
Planning allocations (Current and Draft Local Plan)	The site falls within the local protected vista northwest of Christ Church along Christchurch Road. The western boundary of the site is also allocated within the Roman Road (Bristol Causeway) Archaeological Priority Area.
Site Context	<p>The site is adjacent to the eastern side of Streatham Hill Road and the southern side of Christchurch road. The site is currently vacant and has no public access. Previous site uses comprise residential development, as a continuation of the housing line along Streatham Hill, and post-war pre-fabricated residential bungalows. The site contains five mature trees which have Tree Preservation Orders.</p> <p>TfL CD considers that this site should come forward as a wholly affordable housing scheme led by the community, whilst also providing accessible open space to the benefit of residents and the wider local community on a site currently achieving an Open Space Study Quality Score of just 29 per cent, the lowest score of any identified open space in the Streatham Hill ward. It has a strong PTAL rating of 6A making the site suitable for the optimisation of residential development in line with the London Plan, helping to contribute to the borough's housing needs. Redevelopment of this brownfield site would also align with National Planning Policy Framework and London Plan objectives in ensuring the most effective use of under-utilised brownfield land, to which local planning authorities should give substantial weight.</p>

4. Brixton Bus Garage

Site Name	Brixton Bus Garage
PTAL rating	6B
Proposed uses	Residential Led Development
Planning allocations (Current and Draft Local Plan)	Unallocated
Site Context	TfL CD believes that a residential development could be developed on the Brixton Bus Garage site incorporating the existing bus station uses. The site is currently a large bus station with potential for intensification of the station to co-locate it with residential development on the site. The development would be sensitive to the listed buildings and conservation area in close proximity to the site. The site has a PTAL of 6b making suitable for car free development in line with the draft London plan.

5. Stockwell Station

Site Name	Stockwell Station
PTAL rating	6B
Proposed uses	Residential Led Development
Planning allocations (Current and Draft Local Plan)	Unallocated
Site Context	There may be an opportunity to redevelop Stockwell station and provide a residential development above the station and on adjoining land. The site has a PTAL of 6b and development could be optimised to provided provide a car free residential led development.