

**Application 17/AP/4088: The Bermondsey Project at the Former Peek Frean Biscuit Factory and the Bermondsey Campus sites, SE16.**

**Consultation response from Southwark Council to the GLA**

Southwark Council requests the Mayor take the following representation into account prior to determination of the application to redevelop the site of the former Peek Frean Biscuit Factory and the Bermondsey Campus sites, SE1.

1. The Council acknowledges Grosvenor's efforts to address the concerns raised in the suggested reasons for refusal set out in February 2019. There are significant benefits which could arise from the redevelopment of this under-used brownfield site, and these were recorded in the Director of Planning's report to Southwark's Planning Committee on 6 February. A high quality development, providing new homes, jobs, public realm and better permeability and an improved secondary school, would help to reinvigorate this part of Bermondsey and support the viability of The Blue shopping centre.
2. The Council's original objections to the application covered 4 main issues: affordable housing, housing quality, pedestrian and cycle safety within the site, and the lack of certainty around the delivery of the arch 'cut-throughs'. The extent to which these issues are addressed by the scheme revisions varies. The increased scale of the development, used to improve the overall viability, has in itself raised new impacts which need to be weighed against the benefits of the scheme.
3. In terms of affordable housing delivery, the increased scale of development has enabled the scheme to provide the minimum quantum of affordable housing required by Southwark adopted policies, and specifically the emerging New Southwark Plan (NSP) policy P4. However, it is noted that the type of affordable housing does not meet the requirements of policy P4, due to the shortfall in the amount of social rent equivalent housing, and the provision of Discount Market Rent rather than London Living Rent housing as the intermediate offer.
4. NSP policy P4, as amended for submission, requires 15% of the total housing as social rent equivalent and 20% of the total housing as London Living Rent equivalent. Based on 35% affordable housing, this would equate to a 43:57 split.
5. The applicant now provides 10.5% social rent equivalent housing (421 habitable rooms), short of the 15% expected under NSP policy P4. The remaining affordable housing (equating to 24.5%) is described as Discount Market Rent, and set at rental levels above those specified by the GLA as London Living Rents for North Bermondsey. The draft s106 agreement defines the terms on which these units are to be let, and includes provision for them to be let at rents of up to 28% of a gross income of £60,000 if initial marketing does not secure tenants at the lower income caps within 3 months. This would move the flats still further out of the reach of those in the greatest housing need.
6. As currently drafted, the s106 agreement only secures the Private Rented Housing for a 20 year period. The NSP requires a minimum of 30 years. London Plan policy

H6 requires a minimum of 15 years, but goes on to say that longer covenants would be expected as the market matures. Given Grosvenor's stated intention to hold the site for the long term as part of the diversification of their London estate, it would be reasonable to require a 30 year covenant, and the Mayor is asked to support compliance with the Councils emerging policy.

7. The Council commissioned experts Avison Young to review the updated viability appraisal submitted with the amended scheme. Their report did not concur with all of the inputs in the submitted appraisal, but concluded that the current offer is the maximum the scheme can support on current day costs and values. However, the report also notes that the conclusions are very sensitive to small changes in the inputs, some of which would have a significant impact on overall viability. Therefore robust early and late stage reviews are essential to ensure that the final delivery of affordable housing is maximised. In discussion with GLA officers it has been agreed that the priority for any surplus arising from improved profitability should be to increase the number of social rented units in line with NSP P4, and secondly to reduce the rents of the intermediate units to LLR levels. The current s106 drafting does not include any provision for an increase in the total quantum of affordable housing, even in the event of a profit above that required to support increased affordability of the 35% affordable housing. It is not clear whether there is any substantial justification for this.
8. Social rent equivalent unit rents should be inclusive of service charges, and any rent increases within the 3 year lease term limited and specified in advance to tenants.
9. If the application were to be approved, it would enable the delivery of a replacement secondary school. This is recognised as a significant benefit of the development. However, the terms of the draft s106 agreement do not offer sufficient certainty that the school will be delivered as part of the development – for instance, there is no restriction on occupation. If, however, Grosvenor conclude their lease agreement with the Secretary of State prior to the Hearing date, then the Council would accept that Grosvenor have taken reasonable steps to enable the school to be delivered. In the event that the lease has not been entered into, then the Council would expect terms of the s106 agreement to safeguard the land for school development, and put the onus on Grosvenor to work with the SoS to bring forward the school early in the development phasing.
10. The permeability created by the two new routes through the railway viaduct is also a key benefit of the development, in terms of linking the existing and new populations on the north side of the viaduct with the shops and services at the Blue. The submitted retail impact assessment stresses the positive impact this additional spend could have on the viability of the Blue as a local centre. If these routes were not delivered, this benefit may not occur, or be much reduced in scale, since the existing road routes are both less direct and less attractive. Despite this project having been in discussion for over 5 years, little progress appears to have been made in terms of securing rights over the arch spaces needed to deliver the routes. It is noted with concern that the delivery of the arches has been removed from the description of development, indicating a reduced commitment to their delivery. The current s106

drafting requires delivery only at practical completion of the entire development; the Council suggests that one of the routes should be delivered earlier in the build programme so that these positive benefits for the Blue can be brought forward.

11. The Council would expect that the s106 agreement should set out the strongest terms to maximise the likelihood of delivery of the arches. The position as set out in the draft s106 would not appear to put sufficient onus on Grosvenor of secure the new routes, relative to their importance to the area. Both the level of certainty, and the timing of delivery of the routes, are key material considerations in balancing the benefits, and harm, caused by the development. The current drafting offers no certainty that the routes would be delivered (and delivery would in any event be late in the construction process).
12. More detail is required on the specification of the arch treatment to ensure a high quality pedestrian environment is created, alongside a safe and convenient cycle route. Without these arch routes secured, the development would not comply with the requirements of site allocation NSP10 of the emerging New Southwark Plan.
13. It is positive that the changes to servicing and transport routing within the site has resolved the concern about pedestrian and cycle safety on the 'pinch-point' between Shard Walk and Building BF-C. It is also noted that the car parking levels have been reduced and cycle parking space increased. As suggested, funds should be secured in the s106 agreement to review and if necessary amend the local on street car parking controls if overspill parking from the development increases local parking stress. The Council would also support the s106 requirement to deliver public transport improvements and cycle hire provision, and would expect the s106 agreement to offer free membership of the car hire and cycle hire schemes to all residents for a full 3 year period from occupation of each block, regardless of when an individual moved in.
14. The Council has identified a series of highways works which would be required to mitigate the impacts of the additional vehicle and pedestrian movements. A commitment is needed to a s278 agreement to improve the local highway, including raised tables at key pedestrian crossing points, re-surfacing of footways and improved lighting.
15. In terms of housing quality, the Council had expressed very serious concerns about the quality of the homes being delivered, particularly in terms of their aspect, private amenity space and access to daylight and sunlight. The increase in the proportion of dual aspect flats is noted, although the current figure of 60.4% is not something which we would consider to be 'exemplary'. The difficulty in providing high levels of dual aspect in schemes with high numbers of studio and one bedroom flats is acknowledged. The significant increase in the number of flats with private outdoor amenity space is supported. As a high density development, compromises have clearly been made in design quality in order to optimise housing numbers. The Council's Residential Design Standards SPD and the new London Plan policy D6 recognise the importance of good quality private amenity space and dual aspect living, particularly to counteract the stresses of high density living. The shortfalls in

quality which are evident in this development are negative factors which must be weighted against other benefits of the scheme in the planning balance.

16. A key benefit of any large development is the jobs and training opportunities which arise from the construction and workspaces which the development provides. The Council has significant experience in optimising the employment benefits, and has developed detailed s106 obligations to ensure these are delivered. Following lengthy negotiation with GLA officer and the applicant, the draft s106 now secures job and training opportunities for unemployed Southwark residents.
17. The application offers only 5.7% of its B Class floorspace as affordable workspace. This is significantly short of the 10% expected under NSP policy P28. The terms offered for this space are also very poor, with rents and service charges of up to 80% of market rates, which would seriously limit the number and type of businesses which could take up the space – it is unlikely that any of the Council's experienced affordable workspace provider organisations would be willing to take the space on these terms. The term for which the space is offered is only 15 years, significantly short of the 30 years expected under emerging local policy. Limited information has been provided about the fit out level of the space, or any other benefits or incentives which could be offered to potential tenants. Overall, the affordable workspace offer is considered to be very poor, and would not address the need for space for creative or 'maker' uses. The offer of a Cultural Strategy (which is currently not defined) would not be effective if space is not available on terms which small creative or cultural companies can access.
18. A key benefit of the development, as recognised in the Council's February Planning Committee report, is the new public realm, play space and green open space. The space at the heart of the scheme, at West Yard, has been squeezed in the amended plans, reducing its positive impacts as a place to meet and socialise. It is recognised that this is a function of the desire to increase separation between the tall RST blocks, but the reduction in this space is a disappointing aspect of the amendments. In addition, the suggestion that the public realm spaces could be closed for many days each year for private events undermines the value of the spaces as a public amenity and dilutes the weight which could be attributed to them as public realm. The roof garden on block BF-F has been presented as a new public space offering views across London. The clauses in the draft s106 include extensive provisions which would allow for its closure, including the undefined circumstance of it being 'not feasible operationally'. Public realm should be exactly that – available to all to use freely, except in very specific exceptional circumstances.
19. The key physical change in the amended scheme is the increase in height of the majority of the buildings. This has further increased the disparity between the scale of this development and its immediate neighbours, and its dominance in the streetscene. In the Council's consideration of the original scheme it was noted that the scale would exceed that of the surrounding area, but not be of such prominence as to cause significant harm to the character of the area. The degree of prominence has increased due to the additional height across many of the plots.

20. The proposed order of height is challenging in a location which is not in the CAZ, an Opportunity Area or a town centre. In the Council's own report, when the towers were set at 19 and 28 storeys, it was noted that the towers could act as a local landmark, but it is questionable whether the public uses within the development warrant a landmark of this scale. The previous justification that they would act as way-finders for the new arch route is eroded by the uncertainty of delivery of this key public benefit. The two tallest towers will be viewed as isolated and incongruous features on the skyline, and dominant in many local views. The proximity of the two towers mean that they coalesce to read as a singular form in many local views. The increased scale is not balanced by an increase in public realm, or additional public benefits beyond the increased affordable housing.
21. Very specific concerns are raised in relation to three key views:
- i) View 3 from Tower Bridge where the two towers rise above the impressive riverfront of Butlers Wharf, causing harm through an impact which officers consider to be Moderate and Adverse.
  - ii) Views 8 and 9 from the Bridle path in Southwark Park, where the towers create a more strident incursion into this Registered Park, again classified by officers as Moderate and Adverse.
  - ii) In view 16, focussed on the Grade II\* Listed St James Church, the towers are now more prominent due to their additional height and the consolidation of the towers into a more singular mass. The crown is less transparent, and the impact is, in the view of officers, Major and Adverse. The harm caused is at the upper level of 'less than substantial', impacting on a heritage asset of high significance.
22. It is noted that Historic England raised concerns about View 16 in their formal consultation response to the GLA.
23. The question then arises of whether this harm is outweighed by the public benefits of the development, as required by paragraph 134 of the NPPF. The provision of jobs and homes, including improved affordable housing, are clearly benefits of some weight. However, the key benefits of improved permeability towards The Blue and status of the school delivery are not guaranteed under current drafting in the s106 agreement. They can therefore be given less weight in the planning balance. This points to the need to ensure that the s106 agreement is sufficiently robust to ensure positive benefits for the community are delivered to balance harm to amenity and heritage.
24. The Council notes the consultation responses by Southwark residents and local organisations which raise both significant objections to the application, and also a high level of support, particularly from the school and local charities and business organisations.
25. In addition to the points above, the s106 agreement should secure the following key obligations:

- Energy strategy and carbon off-set contribution. Connection to SELCHP is strongly supported by the Council. Any alternative energy strategy should prioritise on site carbon savings, particularly an improved 'Be Lean' component, and ensure that the off-set payment properly reflects the performance of any alternative strategy. Plots which required Reserved Matters Approval should be subject to the regime in force within Southwark at the point the RMA is determined, including the formula to calculate off-set payments.
- Monitoring contributions for construction, affordable housing, servicing and s106 obligations.
- Play space contribution, with the Council's sole discretion as to its expenditure;
- Tree management contribution to facilitate the additional pruning required due to proximity of the building facades
- Support for BIDCo, and provisions to prevent 'poaching' of retailers from the Blue.

**Issued on behalf of the Director of Planning  
11 February 2020.**