

CABINET 3 FEBRUARY 2020

Report title: Draft Affordable Workspace Supplementary Planning Document

Wards: All

Portfolio: Cabinet Member for Planning, Investment and New Homes: Councillor Matthew Bennett

Report Authorised by: Eleanor Purser and Sara Waller: Strategic Directors for Sustainable Growth and Opportunity

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Report summary

This report presents the draft Affordable Workspace Supplementary Planning Document (SPD) and seeks Cabinet approval to publish the draft SPD for public consultation. The Affordable Workspace SPD is being prepared in conjunction with the partial review of the Lambeth Local Plan, which is already underway. The current consultation draft has therefore been prepared in the light of the emerging policies in the Draft Revised Lambeth Local Plan Proposed Submission Version (January 2020). The finalised SPD will support the Revised Lambeth Local Plan, once the latter is adopted.

The Draft Affordable Workspace SPD is provided at Appendix 1.

Finance summary

The production of the draft Affordable Workspace SPD will be funded from existing general fund budgets of the planning department.

Recommendations

1. To approve the Draft Affordable Workspace SPD at Appendix 1 for a first round of public consultation

1. CONTEXT

- 1.1 The Draft Revised Lambeth Local Plan – Proposed Submission Version (DRLLP PSV) was agreed by Cabinet and Council in January 2020. This includes draft Policy ED2 Affordable Workspace, which seeks to secure affordable workspace from major office developments in defined circumstances. This policy is considered to be in general conformity with Policy E3 of the Mayor’s Draft London Plan (Intend to Publish version December 2019), which encourages boroughs to introduce an affordable workspace policy, subject to local evidence of need and viability.
- 1.2 Introducing an affordable workspace policy in the revised Lambeth Local Plan was a key action within the CDI Strategy, endorsed by Cabinet in June 2018. Delivery of affordable workspace is also a priority outcome in the Borough Plan. The new Local Plan policy is a key means by which public benefits can be secured from future growth and development in the borough.
- 1.3 The proposal to introduce an affordable workspace policy in the revised Lambeth Local Plan was included within the initial ‘issues’ consultation for the review in 2017, and received a broadly positive response. A first draft of Policy ED2 was subsequently included in the Draft Revised Lambeth Local Plan October 2018 (DRLLP). The policy was supported by viability evidence highlighting the parts of the borough in which the policy requirements could typically be achieved without adversely affecting development viability in major office developments. The supporting text of the policy stated that an SPD would be produced to provide further information on the implementation of the policy.
- 1.4 The response to consultation on Draft Policy ED2 is set out in the consultation report on the Draft Revised Lambeth Local Plan. Approximately 30 responses were received specifically relating to this policy. While a number of responses expressed support for the policy’s intent, several representations raised questions with the proposed approach. These related to three broad points:
 - the justification for the policy;
 - the effect on development viability; and,
 - how the policy would be delivered.
- 1.5 The full justification for the policy and evidence on development viability are set out in the Workspace Topic Paper and supporting evidence base documents. These have been submitted as part of the evidence base for the Draft Revised Lambeth Local Plan Proposed Submission Version and will undergo examination alongside the draft policy itself.
- 1.6 The Draft Affordable Workspace SPD sets out guidance on how the policy will be delivered. The requirements of the SPD will be secured through section 106 planning obligations. The Council will prepare proposed obligations to be used for relevant developments.

2. PROPOSAL AND REASONS

- 2.1 The role of the Affordable Workspace SPD will be to support the implementation of Policy ED2 when the revised Lambeth Local Plan is adopted by providing additional guidance to developers, landowners, the public, and other stakeholders, on the approach to securing affordable workspace. The Draft Affordable Workspace SPD is included at Appendix 1. The key areas of guidance set out in the Draft SPD are summarised below.
- 2.2 Section 2 of the Draft SPD describes the different approaches by which affordable workspace can be provided. This includes: the developer/owner letting affordable workspace to an approved Affordable Workspace Provider who would then manage and lease space to suitable end users; the developer/owner acting as an Affordable Workspace Provider to manage and lease space to suitable

end users; or the developer/owner letting space directly to a charitable or not-for-profit organisation who require unmanaged affordable workspace.

- 2.3 Section 3 identifies that Affordable Workspace Providers are organisations that manage affordable workspace and provide support to end users that they lease affordable workspace to. It explains that any affordable workspace managed by an Affordable Workspace Provider must apply to be on the council's Approved Affordable Workspace Provider List and meet the council's stated criteria – which is set out in the draft SPD. It also sets out the types of end users who would benefit from managed affordable workspace.
- 2.4 Section 4 explains that charitable or not-for-profit organisations may not always require affordable workspace that is managed by an Affordable Workspace Provider. Such organisations which would benefit from unmanaged affordable workspace must apply to be on the council's approved charitable and non-for-profit register and meet the council's stated criteria – which is set out in the draft SPD. Criteria will be regularly reviewed and monitored to ensure the beneficiaries of the affordable workspace continue to qualify and equalities duties are met.
- 2.5 Section 5 explains that a Workspace Management Plan will be required where managed affordable workspace is proposed. While the content of the WMP will vary dependant on the nature of a particular proposal, the minimum requirements of the Workspace Management Plan are set out in section 5.
- 2.6 Section 6 explains that for the purposes of calculating the discounted rents for affordable workspace, the market rent is the expected rent that the developer/owner anticipates charging for the market element of the development proposal. Guidance on what evidence an applicant should submit so that the council can assess the proposed market rent (and therefore the discounted rent for affordable workspace) is set out.
- 2.7 Section 7 sets out that viability information will be required to be submitted for the council's assessment where applications propose levels of affordable workspace below the policy requirement. It explains that in such circumstances viability reviews will be required by a section 106 planning agreement to re-appraise the viability of schemes to determine whether the proposal is capable of providing additional affordable workspace up to the policy target. The formulas to be used for viability reviews are also set out.
- 2.8 Section 8 explains that though the policy expectation is that affordable workspace is provided on-site, that in exceptional circumstances a payment in lieu (PIL) would be accepted where it can be demonstrated to the satisfaction of the council that on-site provision is not feasible and/or a greater economic impact would be achieved through PIL. The decision to decide whether to accept PIL would be determined on a case by case basis.
- 2.9 Section 9 sets out how affordable workspace obligations would be monitored.
- 2.10 Subject to Cabinet approval, the first stage of public consultation on the Draft SPD is proposed to be undertaken for an eight week period. Further information is set out in Section 5 of this report.
- 2.11 Once finalised, the Affordable Workspace SPD will provide guidance on implementation of the policies in the adopted revised Lambeth Local Plan. For this reason, adoption of the SPD cannot take place until the Revised Local Plan itself has been adopted.
- 2.12 The draft of the SPD that is the subject of this report provides guidance relating to the policies as drafted in the Draft Revised Lambeth Local Plan Proposed Submission Version (DRLLP PSV), which

was agreed in January 2020 by Cabinet and Council for pre-submission publication and submission for examination. The examination process for the DRLLP PSV will start on submission and is likely to continue during 2020. Modifications to the DRLLP PSV may be proposed during the examination process in response to matters raised by the examining Inspector. It is open to the Council to propose 'main modifications' to the DRLLP PSV to address matters of soundness raised by the Inspector; these must undergo public consultation prior to the end of the examination, which concludes with publication of the Inspector's report. The version of the revised Lambeth Local Plan that is proposed for adoption may therefore include a number of 'main modifications' as a result of the examination process.

- 2.13 A second round of public consultation will take place on a revised draft of the SPD. This will enable the comments received during the first round of public consultation to be considered and reported. It will also provide an opportunity to incorporate and undertake public consultation on any amendments in the revised draft SPD arising from proposed main modifications to policy ED2 in the DRLLP PSV. However, should fundamental changes to draft policy ED2 in the DRLLP PSV be proposed as a result of the examination process that have implications for the content of the draft SPD, consideration will also be given to the need for a further round of public consultation on a further revised draft SPD to allow for full consideration of these changes.
- 2.14 If Draft Policy ED2 (in some form) ultimately does not proceed to adoption, the proposed SPD will itself not be able to proceed to adoption (since there would not be a development plan policy in place to support). Should that situation arise, the draft SPD would have to fall away at that point.
- 2.15 The anticipated timetable for the preparation of the SPD is set out in the Lambeth Local Development Scheme October 2019. This timetable is linked to the anticipated timetable for the examination and adoption of the Revised Lambeth Local Plan. Should adoption of the Revised Local Plan be delayed, the timetable for finalisation and adoption of the SPD will be revised accordingly.

3. FINANCE

- 3.1 The preparation of the Affordable Workspace SPD will be funded through existing general fund budgets within the planning department.

4. LEGAL AND DEMOCRACY

- 4.1 The relevant statutory framework that governs the form and content of supplementary planning documents, as well as the process required to be followed in their preparation, is located chiefly in the Town and Country Planning (Local Planning) (England) Regulations 2012. The 2012 Regulations require that an SPD contains a reasoned justification of the policies within it and stipulate that it must not conflict with adopted development plan policies. The National Planning Policy Framework and the associated Planning Practice Guidance sets out national policy about the role and status of SPDs in the planning system. Supplementary planning documents should build upon and provide more detailed advice or guidance on policies in an adopted local plan. An SPD is capable of being a material consideration in planning decisions but it is not part of the development plan.
- 4.2 The 2012 Regulations have to be interpreted as requiring a two stage process of consultation in relation to the preparation of a proposed supplementary planning document.
- 4.3 The first stage of consultation does not include any particular timescale for representations to be made, or specify who must be consulted. Once the first stage has been undertaken, a statement must be prepared in accordance with Regulation 12 of the 2012 Regulations that explains who was

consulted at the first stage, what issues were raised and how those issues have been addressed. The second stage of consultation requires that statement, together with the draft supplementary planning document, to be made available to the public. A consultation period of at least four weeks is then required.

- 4.4 This report seeks authorisation to carry out the first stage of consultation. The outcome of that first stage consultation will be reported in due course.
- 4.5 As mentioned above, where the Council require a proposed development to secure affordable workspace, this would be through section 106 planning obligations. Such obligations may be entered into under section 106 of the Town and Country Planning Act 1990 (as amended) provided that in each case, all of the above three tests are met concerning any obligation, namely it is: (a) necessary to make the development acceptable in planning terms; (b) directly related to the development; (c) fairly and reasonably related in scale and kind to the development.
- 4.6 This proposed key decision was entered in the Forward Plan on 12 March 2019 and the necessary 28 clear days' notice has been given. In addition, the Council's Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by Cabinet. Any representations received during this period must be considered by the decision-maker before the decision is taken. A further period of five clear days – the call-in period – must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

5. CONSULTATION AND CO-PRODUCTION

- 5.1 The first stage of consultation provides an opportunity for the community and stakeholders to provide comments which the Council can then consider. An eight week consultation period is proposed between 11 February and 7 April 2020.
- 5.2 The first round of consultation on the Draft SPD is proposed to commence shortly after the six week publication period of the Draft Revised Lambeth Local Plan – Proposed Submission Version. This will allow those commenting on the Draft SPD to read it alongside Draft Policy ED2 and its supporting text.
- 5.3 The consultation approach will follow that outlined in the Council's Statement of Community Involvement 2015. Electronic notification of the consultation with links to the Draft SPD will be emailed to contacts on the planning policy consultation database, neighbouring boroughs and the GLA. Copies of the draft SPD will be made available on the council's website, via the Commonplace consultation portal, and hard copies will be made available at the Council's offices and all Lambeth libraries.
- 5.4 Comments received will be reviewed and will inform any proposed revisions to the Draft SPD. This will be the subject of a separate decision in due course.

6. RISK MANAGEMENT

- 6.1 As noted in section 5 of the report, the legislation sets out the process for preparation of supplementary planning documents. The steps that are proposed to be taken in this report reflect the requirements of the legislation.
- 6.2 It is not considered that any further or specific risk management steps are required.

7. EQUALITIES IMPACT ASSESSMENT

- 7.1 An Equalities Impact Assessment (EIA) of the Draft SPD has been completed and is appended to this report (Appendix 2). The EIA found limited positive impacts on those with protected characteristics and did not identify any negative impacts.

8. COMMUNITY SAFETY

- 8.1 There are no community safety implications arising from the matters that are the subject of this report.

9. ORGANISATIONAL IMPLICATIONS

Environmental

- 9.1 An initial Strategic Environmental Assessment (SEA) screening assessment will be carried out on the Draft SPD in order to identify whether there are any significant environmental effects. If the Draft SPD is revised following public consultation and/or any relevant main modifications to draft policy ED2 in the DRLLP PSV, a further SEA screening assessment may need to be undertaken.

Staffing and accommodation

- 9.2 None.

Procurement

- 9.3 None.

Health

- 9.4 None.

10. TIMETABLE FOR IMPLEMENTATION

- 10.1 Subject to Cabinet approval of the recommendations set out in this report, public consultation on the Draft Affordable Workspace SPD take place for an eight week period between 11 February and 7 April 2020. This will be followed by publication of a Revised Draft SPD alongside a consultation statement setting out the results and response to the first round of public consultation. The anticipated timetable for the production of the Affordable Workspace SPD is shown below and reflects that set out in the Lambeth Local Development Scheme October 2019.

| Stage | Indicative timings |
|---|------------------------------|
| Consultation on Draft Affordable Workspace SPD | 11 February and 7 April 2020 |
| Publication of Revised Draft SPD and consultation statement | Quarter 2 2020/21 |
| Adoption | Quarter 4 2020/21 |

- 10.2 As explained in paragraph 2.15, these timings may change.

AUDIT TRAIL

Consultation

| Name/Position | Lambeth directorate / department or partner | Date Sent | Date Received | Comments in paragraph: |
|--|---|-----------|---------------|---------------------------|
| Councillor Matthew Bennett | Cabinet Member for Planning, Investment and New Homes | 10.01.20 | 16.01.20 | |
| Sara Waller and Eleanor Purser, Strategic Directors | Sustainable Growth and Opportunity | 06.01.20 | 06.01.20 | |
| Rob Bristow, Director | Planning, Transport and Development | 06.01.20 | 06.01.20 | |
| Catherine Carpenter, Head of Policy and Placeshaping | Planning, Transport and Development | 06.01.20 | 06.01.20 | |
| Matthew Gaynor, Assistant Director | Finance and Investment | 13.12.19 | 07.01.20 | |
| Peter Flockhart, Legal Services | Legal and Governance | 15.11.19 | 06.01.20 | Paragraph 4 and elsewhere |
| David Rose, Democratic Services | Legal and Governance | 13.12.19 | 18.12.19 | |

REPORT HISTORY

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| Original discussion with Cabinet Member | 11.03.19 |
| Report deadline | 22.01.20 |
| Date final report sent | 22.01.20 |
| Part II Exempt from Disclosure/confidential accompanying report? | N/A |
| Key decision report | Yes |
| Date first appeared on forward plan | 12.03.19 |
| Key decision reasons | 1. Will amend Community Plan Outcomes Framework or Budget and Policy Framework |
| Background information | Draft Revised Lambeth Local Plan October 2018 Draft Revised Lambeth Local Plan October 2018 Consultation Report December 2019- Part 1; Part 2 Draft Revised Lambeth Local Plan Proposed Submission Version January 2020 Draft London Plan Intend to Publish version December 2019 Town and Country Planning (Local Planning) (England) Regulations 2012 Workspace Topic Paper January 2020 Lambeth Local Development Scheme October 2019 |
| Appendices | Appendix 1 – Draft Affordable Workspace Supplementary Planning Document Appendix 2 – Equalities Impact Assessment |