

Lambeth Affordable Workspace SPD.**Response by South Bank and Waterloo Neighbours**

1. **South Bank and Waterloo Neighbours (SoWN)** is the community body that represents residents, workers, businesses of all sizes and voluntary organisations. It has wide support in the area covered by the South Bank and Waterloo Neighbourhood Plan, formally approved in February 2020, after a referendum supported by over 90% of residents and businesses alike. SoWN was responsible for the wide consultation involved in identifying the key issues, for writing the Plan and seeing it through to adoption. It represents the whole local community in monitoring how the plan is implemented, within the wider context of the Lambeth Local Plan and the London Plan. As well as monitoring the Plan, SoWN covers a wide range of activities and issues, and is particularly concerned to see that the fruits of development, both physical and financial, are appropriately distributed across the whole community so that it is both thriving and sustainable.

Context of the SOWN Response

2. SoWN recognises that the draft SPD is supplementary planning guidance, intended to supplement the provisions of Lambeth Policy ED2 which is fully adopted. Though SoWN has considerable concerns about the way in which Policy ED2 is being implemented, it recognises that an SPG document cannot change policy or add new policies but serves to build upon/provide further guidance/detail about the implementation of specific planning policies, in this case Policy ED2. However, although this document does not form part of the Local Plan, and is not subject to independent examination, it is a material consideration in determining planning applications and it is therefore important to SoWN that in consideration of the SPD the Council takes account of reflects serious local concerns about the impact of the way Policy ED2 is being implemented in South Bank and Waterloo. The representations which follow are not intended to challenge Policy ED2, and do not comment on the detailed provisions in the SPD concerning the implementation of the policy. They are relevant however to the way in which Policy ED2 is being interpreted and implemented in the South Bank and Waterloo neighbourhood. In particular they concern the priority that affordable workspace is given in pre-application work with developers, viability appraisals and eventual s106 agreements, and the impact of that priority on a whole range of other mitigations, particularly those relating to climate change and general community health and well-being.

3. The context is that the major office developments consented or coming forward in the neighbourhood, namely Elizabeth House, 72 Upper Ground, Royal Street and Waterloo Estate, look likely between them, on four sites, to amount to more than the office space provided in the whole King's Cross regeneration. Their impact on all users of the area, employees and visitors, but above all local residents, needs to be addressed in a more holistic way than is currently the case. These include other opportunities for mitigation, e.g. increases and improvements to public open space, improvements in air quality, street greening measures, reduction in vehicles, improved pedestrian and cycling environments etc. We should not underestimate the enormous intensification created by these developments and the wide range of social and environmental measure needed to mitigate their impact.

The Policy Context

4. Lambeth's Affordable Workspace policy ED2, like all Local Plan policies, must be in conformity with the London Plan, in the case of Affordable Workspace, London Plan Policy E3.

Relevant wording in **London Plan Policy E3** Affordable workspace includes (our emphasis and comments):

*A In defined circumstances set out in Parts B and C below, planning obligations **may** be used to secure affordable workspace (in the B Use Class) at rents maintained below the market rate for that space **for a specific social, cultural or economic development purpose ...***

B Consideration should be given to the need for affordable workspace for the purposes in Part A above:

3) in locations identified in a local Development Plan Document where the provision of affordable workspace would be necessary or desirable to sustain a mix of business or cultural uses which contribute to the character of an area. Comment – Lambeth has identified South Bank and Waterloo as such an area in its Local Plan. The debate SoWN seeks is whether the provision of affordable workspace under this definition is genuinely a higher priority in South Bank and Waterloo than mitigation of green space deficiency, issues of air quality and embodied carbon, environmental impacts of construction, management of the pressures on the area caused by intensification, provision of community facilities.

*C Boroughs, in their Development Plans, should consider detailed affordable workspace policies **in light of local evidence of need and viability.***

5. In the **Lambeth Local Plan**, Policy ED2 Affordable Workspace includes:

A. In accordance with London Plan policy E3, the council will apply the following requirements for the uplift of affordable workspace in the following locations:

*i. In Waterloo/Southbank and Vauxhall developments proposing at least 1000m2 gross office floorspace **should** provide 10 per cent of the rentable floorspace (Net Internal Area (NIA)) at 50 per cent of market rents for a period of 15 years;*

*B. The affordable workspace secured should be provided on-site and be designed **to meet a local need** for office, light industrial or research and development workspace.*

*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.***

How the Affordable Workspace Policy is implemented

6. The implication of ED2 F is that 10% Affordable Workspace will be sought in all cases if viable; indeed more will be sought if viability permits. This prejudices what is used as the baseline for the viability assessment. In practice, as far as local stakeholders can interpret from the s106 agreements for Elizabeth House and 76 Upper Ground (major office developments so far consented in South Bank and Waterloo under this policy) the viability of affordable workspace provision has been assessed without full consideration of or consultation on other legitimate mitigation measures which might be considered to be of higher priority in terms of the immediate impact of the development and/or for the social, environmental and economic well-being of the neighbourhood. Para 7.1 of the draft SPD

Applications that propose an affordable workspace offer that does not meet the policy requirement will be required to submit viability information in accordance with the requirements of the Viability Tested Route appears to be based on the same assumption.

7. However, nowhere in Lambeth Local Plan Policy D2 Planning Obligations or Policy ED2 Affordable Workspace does the policy say that affordable workspace should be given priority over other relevant and legitimate planning obligations. Only Affordable Housing is given this priority. The London Plan says that *planning obligations may be used to secure affordable workspace*. Lambeth Plan policy ED2 states that *In Waterloo/Southbank and Vauxhall developments proposing at least 1000m² gross office floorspace should provide 10 per cent of the rentable floorspace*. Neither statutory plan says 'will' or 'must'.

8. Lambeth Plan Policy D2 states that that Section 106 planning obligations will be sought to:
B. ensure that development proposals provide or fund local improvements to mitigate the impact of the development and/or additional facilities and requirements made necessary by the development. Depending on the nature of the development, this may include...

There follow 21 examples of what might be appropriate. Affordable workspace is only one of these, and South Bank and Waterloo Neighbours and many other South Bank and Waterloo residents and stakeholders would argue that, in the case of the South Bank and Waterloo, many of the other 20 examples should be given a higher priority than affordable workspace. This is reflected in many other places in the adopted Local Plan, for example, Policies D3 Infrastructure, ED14 Hotels, ED15 Employment and Training, S1 and S2 Social Infrastructure, and EN1 Open Space, Green Infrastructure and Biodiversity. All of these have references to planning obligations as a requirement for mitigation in furtherance of the objectives of these policies. All of them are relevant to the quality of the South Bank and Waterloo neighbourhood and its ability to compete with Kings Cross, Shoreditch, etc, in our provision of green space, cleaner air, an attractive retail offer, a world class public realm and means of delivering commuters from the station to their place of work.

9. The concern about the priority currently accorded to affordable workspace reflects the provisions of the adopted **South Bank and Waterloo Neighbourhood Plan**. Though affordable workspace is mentioned in the Plan, it is not given the priority accorded to many other environmental objectives and neighbourhood amenity concerns which the Plan and SoWN's associated projects list seek to address. The notional cost of a minimum 10% affordable workspace in any uplift of office space, combined with the call that makes on viability, means that the resultant s106 agreements are not serving to 'make those developments acceptable in planning terms' as much as would be achieved with different priorities i.e by allocating part or all of the equivalent value of the affordable workspace to mitigating the environmental impacts of those developments or supporting the community facilities or other measures that the residents impacted by those developments should reasonably expect. It should be noted that the values can be very high – in the case of Elizabeth House, the notional value of the affordable workspace provision is assessed at some £33m.

Other Factors relating to Implementation.

10. There are further considerations which should require a review of the priority accorded to affordable workspace in South Bank and Waterloo.

- The viability impact of including 10% affordable workspace as a baseline requirement inevitably makes developments larger than they would otherwise have needed to be, with, as a consequence, increased construction impacts, more embodied carbon, and in some cases greater adverse amenity impacts e.g. on neighbouring residents' daylight.

- Policy ED2, and therefore the SPD, provide for affordable workspace to be provided for up to 15 years. There is no mechanism, as there is with affordable housing, for this to be in perpetuity. Other mitigation, e.g. public green open space, improvements in air quality, street greening measures, reduction in vehicles, improved pedestrian and cycling environments etc. would have a permanent impact.

11. There are further questions SoWN would wish to raise about the need for new affordable workspace in South Bank and Waterloo. The draft SPD sets out the qualifying requirements for the tenants of the affordable workspace:

- a) Start-ups and early stage businesses across priority growth sectors
- b) Businesses focussed on creative production
- c) Not for profit and/or charitable organisations supporting Lambeth's economy and providing significant social value to local residents.

The affordable lettable space proposed in Elizabeth House is in the order of 100,000ft². SoWN is not clear about the equivalent figure for 72 Upper Ground but the developers promise of 11% (presumably of uplift), suggests in excess of 35,000ft². Large developments at Royal Street and Waterloo Estate are to come, and, if the volumes required are as now and the user criteria are to be applied strictly, there must be concern that supply may exceed demand and/or that users of this space will simply be drawn from other cheaper parts of the borough. It is also worth noting that over 110,000ft² of workspace is currently (March 2022) available at Dorset House on Stamford Street at an asking price of £17.50 per ft², quite possibly a lower rent than the 50% discount required from new developments by Policy ED2.

12. A further concern is that the evidence base for this policy on affordable workspace and the drafting of the policy were undertaken before COVID. Following the pandemic offices may no longer be the sole focus for work which they were before, which may in turn affect the demand for affordable workspace.

13. It is recognised that the Affordable Workspace SPD is primarily a tool to inform how affordable workspace obligations are calculated and implemented. SoWN may well have more detailed comments on these matters, but they would require considerable research into the cost and benefits of how the policy is implemented in South Bank and Waterloo, other routes to enhance the quality of the neighbourhood to attract inward investment, embodied carbon issues, and potential re-use of buildings both in South Bank and Waterloo and elsewhere in the borough. It would also be helpful to examine how affordable workspace policies work in other inner London boroughs and how their policies are applied in those boroughs which have a CAZ area, compared with the benefits outside the CAZ. The level of resource for such work is well beyond a voluntary community organisation such as SOWN or probably any other South Bank stakeholders. However, the possible need for such work does not preclude a positive response by the Council to SoWN's immediate request that the Council it urgently reviews its developer contribution priorities and implements its affordable workspace policy more flexibly, taking account of the special circumstances of South Bank and Waterloo. These are well reflected in Local Plan Policy PN1, in many other sections of the adopted Local Plan and in the adopted Neighbourhood Plan. They should also be reflected in the Affordable Workspace SPD.

14. SoWN's further proposal is that, prior to the adoption of the Affordable Workspace SPD, a process is established urgently that would enable a full debate between the Council, SoWN, other South Bank stakeholders and developers which would consider:

- a) the balance between the value of affordable workspace planning obligations and other obligations set out in the Local Plan. This would cover both the financial aspects of this balance and the balance of social, environmental and economic benefits between affordable workspace and other contributions.
- b) the relative priority afforded to the affordable workspace obligations in comparison with mitigation which contributes to the Council's environmental and net zero objectives.
- c) the weight given to mitigation of the impact on residents of the intensification of the South Bank and Waterloo
- d) residents' priorities for developer contributions - as quoted in the July 2021 Cabinet Paper on Developer Contributions these were identified for Bishop's Ward as Young People, Employment and Skills Training and Parks, Open Space & Air Quality, with no reference to affordable workspace.
- e) implications of the primacy apparently given to affordable workspace for matters relating to embodied carbon, including bulk and scale of new buildings and reuse of existing buildings, both in South Bank and Waterloo and elsewhere in the borough.

The aim would be to reach agreement on a framework of strategic priorities for developer contributions in the South Bank and Waterloo neighbourhood which would then guide the priority attached to particular elements of South Bank and Waterloo s106 agreements and align them better with local priorities and with environmental and well-being considerations.

The implications of these outcomes for the implementation of Policies D2 and ED2 could then be appropriately incorporated in the Affordable Workspace SPD.

South Bank and Waterloo Neighbours
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