

PART 6: Planning Applications for Decision**Item 6.1****1 SUMMARY OF APPLICATION DETAILS**

Ref: 18/01211/FUL
Location: 5-9 Surrey Street, Croydon, CR0 1RG
Ward: Fairfield
Description: Demolition of the existing building and replacement with a six/seven/eight storey development. Commercial units would be provided on the lower ground (sui generis, A3 and D1/D2) and ground floor (flexible use A1, A2, A3, D1, D2, B1(a)), with 60 flats above with associated public realm improvements and landscaping including courtyard area with, disabled car parking and cycle parking.

Drawing Nos: Location Plan MLUK-607-A-P-XX-0100
Existing Site Plan MLUK-607-A-P-XX-0160 Rev B
Existing Lower Ground Floor 228899
Existing Ground Floor 228899
Existing First Floor 228899
Existing Second Floor 228899
Existing Second Floor 2 228899
Existing elevations MLUK-607-A-P-XX-0140, -0141, -0142, 0144
Proposed Site Roof Plan MLUK-607-A-P-XX-0161 Rev A
Proposed Lower Ground Floor MLUK-607-A-P-XX-1129 Rev A
Proposed Ground Floor MLUK-607-A-P-XX-1130 Rev B
Proposed 1st – 5th Floor MLUK-607-A-P-XX-1131 Rev A
Proposed 6th Floor MLUK-607-A-P-XX-1136 Rev A
Proposed 7th Floor MLUK-607-A-P-XX-1137 Rev A
Proposed Roof Plan MLUK-607-A-P-XX-1138 Rev A
Proposed Elevations MLUK-607-A-P-XX-3100 Rev A, -3101 Rev A, -3102 Rev A, -3103 Rev A, -3104 Rev A
Topographic Survey 160151
Fire Strategy Lower Ground Floor MLUK-607-A-P-XX-4009 Rev A
Fire Strategy Ground Floor MLUK-607-A-P-XX-4010 Rev A
Fire Strategy 1st – 5th Floor MLUK-607-A-P-XX-4011 Rev A
Fire Strategy 6th Floor MLUK-607-A-P-XX-4016 Rev A
Fire Strategy 7th Floor MLUK-607-A-P-XX-4017 Rev A
Fire Strategy Roof MLUK-607-A-P-XX-4018 Rev A

Applicant: Regent Land and Development Ltd and the Folly's End Fellowship Trust
Agent: Mr Richard Quelch, GVA
Case Officer: Helen Furnell

2 BACKGROUND

- 2.1 This application was first reported to Planning Committee on 16th August 2018. The Committee resolved to defer the application in order to allow Officers to negotiate amendments to the scheme, specifically to increase the level of affordable housing and to seek improvements to the design of the Surrey Street elevation.
- 2.2 The original report is attached to this agenda.

3 SCHEME AMENDMENTS

3.1 Discussions have been held with the applicant and the following changes have been made to the scheme:

- Increase in proportion of affordable housing from 25% to 30%.
- The quantum and mix of residential units has been amended through internal reconfiguration, as illustrated below, to achieve the increased proportion of affordable housing.
- Revised elevational treatment of the Surrey Street elevation and rationalisation of materials by the introduction of a mansard roof, spandrels and recessed reveals around windows, the increased use of shadow gaps to replicate the traditional narrower building types in the surrounding area; and changes to the glazed brick.
- Minor changes to the quantum of non-residential floorspace following a revised internal layout. The revised scheme comprises 485 sqm (NIA) of sui generis/A3/D1/D2 floorspace on the lower ground floor and 202 sqm (NIA) of A1/A2/A3/B1(a)/D1/D2 floorspace on the ground floor. This compares to 483 sqm and 221.5 sqm respectively in the original submission (both NIA).

	Originally submitted scheme		Revised scheme	
	Number	Percentage	Number	Percentage
1 bed	31	56%	34	56.7%
2 bed	14 (13 x 2 bed 3 person and 1 x 2 bed 4 person)	26%	25 (All 2 bed 4 person)	41.7%
3 bed	10	18%	1	1.7%
Totals	55	100%	60	100%

	Affordable units		Private units	
	Originally submitted scheme	Revised scheme	Originally submitted scheme	Revised scheme
1 bed	1	12	30	22
2 bed	0	5	14	20
3 bed	10	1	0	0
Totals	11	18	44	42

4 CONSULTATION RESPONSE

4.1 The views of the Planning Service are expressed in the FURTHER ADVICE ON MATERIAL PLANNING CONSIDERATIONS section below.

4.2 The following were re-consulted regarding the amendments to the application and in addition to the comments made on the original scheme, make the following comments:

Historic England (Archaeology) (Statutory Consultee)

4.3 No archaeological requirement.

Mid Croydon Conservation Area Panel

4.4 Although the Panel acknowledge the changes that have been made since the original application the Panels view is that the original comments made in April 2018 are still relevant and are repeated as follows:

- While the existing building contributes absolutely nothing to the area the proposed development is out of character with the area.
- The Panel feel that the building is too high, however this is a consequence of granting applications to increase the height of other buildings in the area which has led to a situation where each new application quotes the precedence set by others in order to justify their overall height.
- The application proposes yet more retail on the ground floor. The retail units in Bridge House fronting St Mathews Yard were boarded up when the building was completed and have remained that way ever since. The Panel is concerned that a similar fate will await this proposed development.
- Instead of proposing yet more retail isn't it about time that the ground floor space was used to provide useful services for the area and storage facilities for the occupants of the flats.

5 LOCAL REPRESENTATION

The application has been re-advertised by way of four site notices displayed in the vicinity of the application site and neighbour notification letters sent to 316 adjoining occupiers. The number of representations received from neighbours, local groups etc in response to the re-notification and publicity of the application were as follows:

No of individual responses: 1 Objecting: 1 Supporting: 0

5.1 The following issues were raised in representations received in response to the re-consultation. Those that are material to the determination of the application, are addressed in substance in the FURTHER ADVICE ON MATERIAL PLANNING CONSIDERATIONS section of this report.

Summary of objections	Response
<i>Impact on neighbours</i>	
Concern that future residents will submit noise complaints about existing late night leisure/entertainment venues in the locality and that in future their existing operations could be curtailed.	Noise has been fully considered with this application, with the applicant being required to install additional soundproofing to the proposed community/A3 uses and also for acoustic trickle ventilators to be installed on all windows of the residential units. These features will be controlled by planning condition.
Noise assessment has not fully taken into account existing established noise levels	See comment above.

6 FURTHER ADVICE ON MATERIAL PLANNING CONSIDERATIONS

Affordable Housing and Housing Mix

- 6.1 The London Plan requires Boroughs to seek to maximise affordable housing provision. Policy SP2.4 of CLP2018 requires sites of more than 10 dwellings to negotiate to achieve up to 50% affordable housing, subject to viability and seeks a 60:40 ratio between affordable rented homes and intermediate homes. Policy SP2.5 requires as a preference, a minimum provision of affordable housing to be provided of 30% on the same site; or if 30% on-site provision is not viable, within the Croydon Opportunity Area, a minimum provision of 15% on-site and simultaneous delivery of the equivalent of 15% affordable housing on a donor site with a prior planning permission, in addition to that site's own requirement. If these options are unable to be achieved, the 3rd option is to provide a minimum of 15% on-site affordable housing, plus a review mechanism for the remaining affordable housing (up to a maximum of 50% through a commuted sum based on a review of actual sales values and build costs of completed units) provided 30% on-site provision is not viable, construction costs are not in the upper quartile and there is no suitable donor site.
- 6.2 When the application was presented to Planning Committee on 16th August 2018, an affordable housing offer of 25% was made. Following the deferral of the application, the applicant has revised the scheme to see if any changes could be made to the scheme to achieve a greater proportion of affordable housing. The changes now being presented to Planning Committee are outlined in section 3 above. Essentially, the relevant considerations for viability are that the overall number of units has been increased from 55 to 60 units, the unit mix has changed (as detailed in the table in section 3), cost savings have been achieved by removing the glazed brick and the applicant being mindful of costs when amending the details of the elevations and the roof form.
- 6.3 The changes to the scheme have enabled the proportion of affordable housing to be increased from the level proposed to the committee back in August. Whilst the development has not been able to provide 50% affordable housing, the proportion has been increased to 30% and the overall number of affordable units increased from 11 to 18 units. One affordable rent unit is proposed, which is located on the ground floor, is the 3 bed unit and is disabled accessible. The remainder of the units are proposed to be shared ownership, as this tenure does not require a separate core for management purposes (thereby reducing further costs on a constrained site and allowing a greater proportion of affordable housing).
- 6.4 As with the originally proposed scheme, there are a number of constraints associated with the scheme that have increased costs (and has therefore impacted on the level of affordable housing), as follows:
- The existing use value is high due to the existing quantum of development on the site which includes a retail unit, a church/community centre and a bar/restaurant.
 - High construction and enabling costs related to a sloping and confined site, where the ground stabilisation works alone amount to circa £315,000.
 - The site is also in a tight town centre location, immediately adjacent to Surrey Street Market, which requires additional draughtsmen (circa 5 employees) to monitor and manage traffic movements to minimise any conflict with the Surrey Street market operation.

- The proposed end occupier of the community space is a previous occupier of the site and is to be provided rent at a level commensurate to what they have been paying previously. This represents a discounted rent on market value in line with rental value increases. In addition, there will be a rent free period of 3 months as the end occupier goes through its initial growth period. This attracts a reputable and well respectable cultural operator to the redevelopment ensuring its future growth as a cultural hub. The Folly's End Fellowship Trust will also use the space within a dedicated multi-purpose auditorium events space, which is of further benefit to the community.
- The community space will be fitted out to a high specification and this includes additional works in relation to noise insulation. This will ensure greater sound proofing to the betterment of local amenities. However this will be at an added expense to the applicant, who has estimated a cost of £110,000 for noise proofing.
- The proposals have been through extensive consultation with London Borough of Croydon and the GLA and this has required the incorporation of a Mechanical Ventilation with Heat Recovery (MVHR) in line with overheating and quality of life requirements. This represents an increased cost to the applicant.

6.5 A viability assessment has been provided with the revised scheme details, to demonstrate why 50% affordable housing is unable to be provided and why it is at the 30% level now proposed. The viability assessment has been independently assessed by BPS and this assessment supports the conclusions that the viability assessment makes. The finances of the scheme have shown that the scheme is unable to support any affordable housing beyond the 30% proposed. This is because the Residual Land Value of the scheme generates a deficit against the Site Value Benchmark (essentially meaning that the scheme can generate no surplus and therefore no affordable housing). The applicant has agreed to proceed with the scheme on the basis that the 30% affordable housing proposed meets the minimum policy requirement. However, this proposal results in a profit sacrifice to the applicant, generating a below normal commercial return and therefore cannot be further increased on the basis of current market conditions.

6.6 It is considered that the applicant has provided sufficient justification and viability information for the Council to justify that the proposed affordable housing quantum and tenure proposed is the maximum which can be viably achieved. This will be secured via the S106 Agreement, with appropriate review mechanisms (to cover both Borough and GLA requirements) to seek additional affordable housing should the viability situation improve in the future.

6.7 On this basis, the affordable housing proposal is acceptable.

Design

Scale & massing

6.8 The scale of the proposal remains the same as the original proposal and is supported. The splitting of the building into two elements together with the increase in vertical emphasis allows the scheme to reflect the proportions of nearby historic buildings and the height relates to the heights of consented schemes in the vicinity.

6.9 The massing of the sixth and seventh floors on the northern element of the proposal has been revised including a change in materials to make them read as mansard

roofs separate to the elevation below. This successfully creates a softer appearance to these upper floors and is acceptable.

Internal layout & circulation

- 6.10 The internal circulation of the scheme remains similar to the previous proposal and is supported. There have been revisions to the unit mix to provide a greater proportion of 2 beds at the expense of 3 bedroom units. Whilst the revised mix is less than ideal, it has been done in order to increase the proportion of affordable housing, whilst not compromising the buildability of the scheme. The 2 bed units that have been proposed are all 2 bed 4 person units, whereas in the original proposal there was only one 2 bed 4 person unit and the remainder were 2 bed 3 person. Policy DM1 recognises that where viability is challenging an element of 3 bed units can be substituted with 2 bed 4 person units which is what has been done in this case. It is considered that in order to achieve a greater proportion of affordable units, the 2 bed 4 person units are acceptable.

Architectural expression

- 6.11 The fenestration and elevational treatment have been successfully refined since the previous proposal. The window bays on the southern element have been expressed with reveals containing a change in brick between windows within the same bay providing a greater vertical emphasis. The windows on the southern element have also been pulled closer together into pairs creating 3 distinct sets, again contributing to a greater vertical appearance. This is enhanced by shadow gaps to create divisions between the 3 sets of bays. The elevation of the ground floor of the southern element has also been improved by reducing the amount of blank façade and adding interest to the secondary entrance that leads to the rear, through use of a brick reveal.
- 6.12 On the northern element, the repetition of the vertical windows across all of the elevation facing Surrey Street, except above the entrance to the residential cores, provide this elevation with a more unified and improved appearance. The bay of windows above the entrance to the residential units now includes a brick spandrel panels between the windows, tying this bay together into a vertical element. This move also works well to provide emphasis to the primary pedestrian entrance.
- 6.13 It is noted that the windows on the mansard roof do not align with the floors below, however as these are set back and the roof now reads clearly as a separate element, this is not considered to be a problem.

Materials & detailing

- 6.14 The material palette is well considered with revisions being made to enable cost savings. This has included removing much of the glazed brick previously proposed. These revisions are supported as the materials now proposed provide a good balance between quality and cost. It should be noted that the context of the conservation area demands high quality materials that respond to the fabric of the historic buildings nearby.
- 6.15 The colours of the material palette respond well to the varied materials witnessed in the conservation area, and the design successfully ties these into a coherent scheme.
- 6.16 The use of standing seam zinc is supported to differentiate the roof element from the floors below. It will be important that when the exact specification is confirmed as part

of the conditioning of any approval that this creates a positive contrast with the brick below and therefore these details are specifically conditioned.

Community/Creative Facilities

6.17 Since the application was last presented to Committee, Croydon has been announced as a Creative Enterprise Zone (CEZ) by the Mayor. Croydon is one of six CEZ's in the Borough announced by the Mayor. The CEZ is an initiative to support artists and creative businesses and means that Croydon has been awarded a share of £11 million to boost creative communities. Croydon's bid focussed on initiatives designed to encourage creative businesses to the area. The key aims of Croydon's bid 'Croydon Creatives' is as follows:

- Developing Croydon as a music city – a place that encourages and nurtures emerging talent and breaks down barriers to success in the music industry.
- Launching an ambitious new cultural internship programme offering young people paid work placements with leading national and local arts organisations.
- Creating a subsidy scheme for under 25s looking for studio space, which will cover up to 40 per cent of the cost.
- Encouraging businesses to move to Croydon through the introduction of business rate relief for creative start-ups and those relocating to Croydon.
- Collating an online list of available properties for creative businesses, and launching a start-up incubator programme providing tailored business support.

6.18 Croydon's bid was also supported by policy SP3.3 of the Croydon Local Plan 2018, which states that the Council will promote the growth and expansion of Cultural and Creative Industries to make Croydon a better place to live and to act as a driver of growth and enterprise in the local economy. The policy goes on to identify 4 areas for Enterprise Centre, one of which is Croydon Metropolitan Centre. Whilst the Fairfield area has been identified as the focus for this in the Croydon Metropolitan Centre, there is an overall aim for the growth and expansion of the creative and cultural industries sector in Croydon and there is a target for the number of jobs associated with this sector to increase by 5% by 2021 and 10% by 2031.

6.19 The proposed use of this site to be retained for a community/cultural use with 'Hoodoo's' identified as a future occupier. Given their proposed use of the site as a cultural hub, proposing a café, artist space, music venue and creative space, this meets the aims of Croydon's bid and the policy objective to increase jobs associated with the creative sector.

6.20 The floorspaces given over to creative and community uses have been amended slightly with the revision to the scheme, with 2 square metres additional space at lower ground floor level and a loss of 19.5 square metres at ground floor level. This change is to accommodate the affordable 3 bed unit on the ground floor and is acceptable.

Other Planning Issues

- 6.21 Whilst the main changes to the scheme relate to affordable housing and design, these changes have a knock on impact on other aspects of the development and these are discussed below:
- 6.22 **Transport** – A transport assessment addendum has been submitted to address any impacts of the additional units proposed. The proposed on site car parking remains as proposed with the originally proposed scheme and this is acceptable. Due to the change in the number of residential units there is a revised cycle parking requirement of 91 long stay and 23 short stay spaces (totalling 114 spaces). The number of cycle parking spaces has been amended to a total of 117 spaces, made up from Sheffield stands and bike lockers. In addition there are 5 existing Sheffield stands in Exchange Square that are currently not well used. The proposal has been assessed and the development is considered to be acceptable from a transportation perspective subject to a S106 restricting residents access to parking permits and requiring the provision of one on-street car club bay in the vicinity of the site with residents provided with 3 years free membership of the car club. This was the case when the application went to committee back in August and remains the case. The level of cycle parking is considered acceptable given that the overall number of spaces is in excess of the overall requirement. Whilst the scheme consists of long stay spaces, rather than a mix of long and short stay spaces, it is recognised that given the proximity of the market and the constrained nature of the site, there is little opportunity for cycle spaces in the public realm and therefore the mix is considered acceptable. The change in mix is anticipated to result in a reduction in trip generation compared to the existing situation and there would not be a significant impact on public transport, which is acceptable.
- 6.23 **Daylight/sunlight impact (within development)** – the daylight and sunlight impact of the original scheme was considered acceptable. It was noted that: *only 18 of the 154 residential rooms assessed fell marginally short of the BRE daylight targets, while several windows would have received limited/no sunlight. With the urban context and number of tall buildings surrounding the site, it was accepted that not all windows in such contexts can always achieve the BRE targets. The BRE guidance is also meant to be applied flexibly, particularly in urban environments like this. The new NPPF (paragraph 123), states that authorities should take a flexible approach in applying policies or guidance relating to daylight and sunlight where they would inhibit making efficient use of a site.* The situation with the revised scheme is that there has been a reduction in the number of windows that do not comply with BRE guidance, to 11 windows. This is an improved situation compared to the originally submitted scheme and it is considered that there is an acceptable level of daylight and sunlight for future residents.
- 6.24 **Daylight/sunlight impact (adjoining properties)** – the original committee report set out the criteria for assessing the daylight and sunlight impact of the original scheme on adjoining properties and identified that: *out of 141 tested windows for Bridge House only 27 fall short of the BRE targets. The majority of these shortfalls (15 windows) are fairly marginal. Similarly, at The Exchange, of 157 windows tested only 26 windows fall short of the BRE targets and 2 windows can be considered fairly marginal. Therefore, the results represent a relatively high level of compliance, particularly in the context of an urban development site.* The situation with the revised scheme is that as with the daylight/sunlight assessment for the proposed

building, the number of windows that do not meet the BRE guidelines has decreased in number overall from 121 to 116.

6.25 **Energy** - The original Energy Statement (dated 06/03/2018) calculated an overall regulated CO2 savings on site against a Part L 2013 compliant scheme of:

- 38.3% (22.2 tonnes per annum) for the residential part of the development; and,
- 30.2% (9.3 tonnes per annum) for the non-domestic part of the development.

The total regulated CO2 savings for the site was therefore 31.5 tonnes, equivalent to 35.5% of the baseline emissions. The Energy Statement Addendum for the revised scheme calculates the regulated CO2 savings on site against a Part L 2013 compliant scheme of:

- 40.4% (24.1 tonnes per annum) for the residential part of the development; and,
- 30.6% (9.4 tonnes per annum) for the non-domestic part of the development.

The total regulated CO2 savings for the site is now 33.6 tonnes, equivalent to 37.1% of the baseline emissions. Officers considered the energy savings achieved in the original scheme to be acceptable, subject to a S106 agreement to offset the shortfall of the scheme in comparison to zero carbon for the residential element. In the revised scenario, 35.6 tonnes per annum of regulated CO2 for the residential element and 1.4 tonnes per annum of regulated CO2 for the non-domestic element would need to be off-set. This can be secured through the S106 agreement and is acceptable.

6.26 **Air Quality** – An Air Quality Assessment Addendum has been submitted which confirms that with the changes to the scheme, the building remains air quality neutral, which is acceptable.

6.27 **Heritage** – The revisions to the proposal made since the last application respond well to the Conservation Area setting. It is noted that the façade now reads with greater verticality, reflecting the vertical appearance of the Victorian buildings opposite. The revisions to the upper floors of the northern element of the proposal successfully references the roof forms of the historic buildings nearby in their form and through providing a change in material from the elevations of the floors below. As discussed in the design section above, the proposed changes are a positive improvement to the design of the building and therefore, it is considered that there would be no additional impact on nearby heritage assets and the conservation area.

7 RECOMMENDATION

7.1 That the Committee resolve to GRANT planning permission subject to the conditions set out in 3.3 of the original report with the inclusion of the following condition(s):

- 1) Submission and approval of 1:20 scale plans to show design detailing and junctions between materials.
- 2) Any other planning condition(s) considered necessary by the Director of Planning and Strategic Transport.

7.2 That the Committee confirms that its reasons for granting Planning Permission are as set out in the SUMMARY OF MATERIAL PLANNING CONSIDERATIONS of the original report