

Planning Sub-Committee B

Tuesday 4 September 2018

7.00 pm

Ground Floor Meeting Room G02 - 160 Tooley Street,
London SE1 2QH

Supplemental Agenda No. 2

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| | Tabled at the meeting. | |

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Date: 6 September 2018

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| Item No: 7.1 | Classification: Open | Date: 4 September 2018 | Meeting Name: Planning Sub-Committee B |
| Report title: | | Addendum Late observations, consultation responses, and further information | |
| Ward(s) or groups affected: | | Camberwell Green | |
| From: | | Director of Planning | |

PURPOSE

1. To advise Members of observations, consultation responses and further information received in respect of the following planning applications on the main agenda. These were received after the preparation of the report and the matters raised may not therefore have been taken in to account in reaching the recommendation stated.

RECOMMENDATION

2. That Members note and consider the late observations, consultation responses and information received in respect of each item in reaching their decision.

FACTORS FOR CONSIDERATION

3. Late observations, consultation responses, information and revisions have been received in respect of the following planning applications on the main agenda:

Item 7.1 – Application 17/AP/1314 for: Full Planning Permission – 54 CAMBERWELL GREEN, LONDON, SE5 7AS

Errors in report

4. Paragraph 41 contained an error which referred to the applicants previous housing offer of 30% (35 habitable rooms) all intermediate would provide a profit of 13.5%. However, this is an error and the actual profit level provided would in fact be 17.2% on Gross Development Value.

Revised affordable housing offer

5. Following the deferral of the application at Planning Sub-Committee B, the officers asked the council's viability consultant to assess an alternative offer of affordable housing which would provide a policy compliant mix (70/30 split for social rent/intermediate).
6. In order to retain the profit level that the previous affordable housing offer (17.2%) the council's viability consultant provided an appraisal that has outlined that the equivalent profit within a policy compliant tenure mix scheme could provide 24% affordable housing. The applicant subsequently proposed that the rearmost block with separate stair core would provide 4 x social rented units (units 8, 15, 22 and 29). The remaining rooms would be provided as intermediate housing in units 6 and 7. This revised offer of 3x3 bed flats and 1x2 bed flat for social rent and 1x3 and 1x2 bed flats for shared ownership is for members to consider. For the purposes of affordable housing calculations, any room across the entire development that is over 27.5 sqm will be considered as two habitable rooms as outlined within the council's adopted Affordable Housing (2008) supplementary planning document (SPD).

Viability position

7. Benchmark Land Value: The benchmark land value is calculated on the reasonable existing use value of a site plus an incentive for a land owner to sell and is not based on sale price of a site. The benchmark value is £3,125,000 whilst the applicant paid £4,130,000.
8. The price paid for a site is thus not considered when assessing the viability of a scheme.

Development Costs

9. The development costs put forward by the applicants have been robustly tested by the council's viability consultant and quantity surveyor and a revised lower cost was agreed of £258.32/sq. ft.
10. This compared to five comparable new build development schemes within the surrounding area which would have a range of costs per sq. ft. which would range from £222.83 to £239/sq. ft.
11. The council's viability consultant and their quantity surveyor have provided a note which sets out why the conversion costs on this site are higher than a new build scheme and this can be viewed in Appendix 1 of this addendum.

REASON FOR URGENCY

12. Applications are required by statute to be considered as speedily as possible. The application has been publicised as being on the agenda for consideration at this meeting of the Planning Committee and applicants and objectors have been invited to attend the meeting to make their views known. Deferral would delay the processing of the applications and would inconvenience all those who attend the meeting

REASON FOR LATENESS

13. The new information, comments reported and corrections to the main report and recommendation have been noted and/or received since the committee agenda was printed. They all relate to an item on the agenda and Members should be aware of the objections and comments made.

BACKGROUND DOCUMENTS

| Background Papers | Held At | Contact |
|--------------------------|--|---|
| Individual files | Chief Executive's Department 160 Tooley Street London SE1 2QH | Planning enquiries telephone: 020 7525 5403 |

APPENDICES

| No. | Title |
|------------|--------------------------------|
| Appendix 1 | Refurbishment Versus New Build |

APPENDIX 1

Refurbishment versus New Build

Proposal

Change of use of the building from Class C2 (care home) to residential (Class C3), a part three and part four storey rear extension including basement, and additional floor and mansard to the existing building in order to provide 38 one to three bedroom flats (12 x 1-bed units, 20 x 2-bed units; and 6 x 3-bed). Provision of one on-site disabled car parking space, cycle parking and a refuse enclosure at ground level.

The proposal is to convert the existing building from care home uses to residential and as a starting point we should define the term of refurbishment for the discussion. Refurbishment is a term for the improvement of a building by

- Cleaning
- Decorating
- Retrofitting of services

Refurbishment can cover works from minor cosmetic renovations (e.g. painting and decorating) to alterations, conversions/extensions and modernisation.

Care Home Layout

The current building is typical of many nursing homes with small individual bedrooms and en-suite WC. Communal bathrooms are provided on each floor and a central kitchen and common room.

Reasons for Refurbishment Costing More than New Build

1. Refurbishment work is viewed as a risky proposition for contractors as it carries far more risk. As a result they will increase their rates over new build as a method of protecting themselves.
2. Discovery of Unexpected Work - This proposal will involve extensive reconfiguration of the existing layout, leading to the potential for discovery of unexpected structural faults or materials such as asbestos. These can lead to time consuming delays on site and additional costs to rectify. Minor defects will require remedying prior to the proposed work being carried out and many are hidden until strip out and reconfiguration begins. The cost plan will include items such as making good brickwork and allowance for unexpected items. In addition see point 7 below covers the increased level of cover for risk.
3. Duplication of Work - The reconfiguration will see many of the existing internal walls removed and replaced by new party walls between apartments or between apartments and circulation space. Additionally internal walls within the apartments are needed to encase the extra bedrooms and bathrooms. With new build there will be no cost for the demolition of the internal walls
4. As a result of the layout change additional steel beams or reinforced concrete walls will need to be inserted in to existing building to transfer increased weights

or floor spans. This requires expensive labour intensive work to carry out, often in confined room and the resultant price is higher than if the loading was designed and programmed for.

5. Construction Programming – The design of a new build scheme is accompanied by extensive work into devising the best programme for the work. The aim of this is to ensure that the work flows in the correct way and that the trades can follow each other efficient, e.g. masonry leading to carpentry onto electrical “first fix”. With refurbishment work the structure and design determine the process leading to slower progress and increased costs.
6. Conversion works will involve working in existing space that restrict the efficient planning of works and these will take longer to complete than with new build where construction programmes can fully utilise the sequence of construction. Because of the longer labour time to complete the task this increasing the rates and has a knock on effect on site management costs.
7. Out of sequence working – Coordination of the trades is more difficult, resulting in greater management costs as the trades may have to visit on different occasions with the resultant extra expense. This reflects in the higher individual rates.
8. For conversion work there is always a greater inherent risk involved with additional work required so the cost plan carries a greater level of contingencies. For a new build project you would expect a level of 5- 6%. On this scheme the applicant's QS had included 10% while GVA have allowed 7.5% For the adoption of the GVA rate this would carry a premium of approximate £200,000 on the scheme of £7.5m
9. The proposed basement space is limited by the need to gain suitable access and the likelihood of using smaller mini-diggers and construction techniques within a confined space again reflects in the increased cost. If the site was cleared prior to construction more efficient planning and machinery could be utilised leading to a reduction in the basement cost.
10. The apartments reflect the needs of modern day living with larger rooms within the apartment getting away from the existing cellular layout. Therefore the existing layout will be replaced and a new layout required. With the change of the layout it will the installation of new services to meet modern building standards, the floor plan of the building will be different requiring the re-routing of the services, together with the higher expectation of the occupants within the building. Retrofitting services within an existing building will be dictated by the layout and or requiring the need to knock through existing walls and floors. The advantage of new build is that service ducts can be positioned to enable efficient routing of the services and with it quicker and easier to install services.

It should be noted that conversion work can be less expensive than new build. For example the conversion of existing office save to residential would be able to take advantage of the large open plan space and existing service risers to provide easier sub-division of space for the apartments and use of the risers to route the services. The larger loading capacity of offices will negate the need for steel beams to take additional floor weight further reducing costs. Due to the nature of the existing building the constraints imposed means this building needs more work than a simple office conversion leading to an expensive solution.

Comparison with New Build

For the appraisal 54 Camberwell Green was compared to 5 new build schemes within Southwark of similar size. From this it can be seen that 54 Camberwell Green is considerably higher.

The final figure agreed after discussions was £258.32/sq. ft.

