



# Development Viability SPD Screening Assessment and Statement of Reasons

## Final Screening Assessment and Statement of Reasons

On the determination of the need for a Strategic Environmental Assessment (SEA) in accordance with the Environmental Assessment of Plans and Programmes Regulations 2004 and European Directive 2001/42/EC

November 2015

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## 1. Introduction

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The Screening Assessment and Statement of Reasons have been prepared to:

- Determine whether the contents of the draft Development Viability Assessment SPD (the draft SPD) require a Strategic Environmental Assessment (SEA) in accordance with the European Directive 2001/42/EC and associated Environmental Assessment of Plans and Programmes Regulations 2004 (the 2004 Regulations).
- State the reasons for the determination (Statement of Reasons), as required by Regulation 9 of the 2004 Regulations.

The purpose of the draft SPD is to provide added details and explanation of the council's adopted policies on affordable housing and the procedure for ascertaining the level of affordable housing provision that can be viably secured through planning obligations.

The draft SPD will be used to inform decisions on all planning applications where there is a policy requirement to provide affordable housing (there is a policy requirement to provide affordable homes when any scheme results in the creation of 10 or more homes or 30 or more student bed-spaces). This includes applications for new build, change of use, conversions and mixed use developments. The principles of the draft SPD will also apply to development proposals which otherwise seek to depart from the development plan for reasons of viability.

The legislative background set out below outlines the legislation that requires the need for this screening exercise. Section 4 sets out the process for undertaking a screening assessment of the likely significant environmental effects of the draft SPD and whether there is a need for a full SEA.

## 2. Legislative Background

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A Sustainability Appraisal (SA) is a tool that is used to improve the sustainability of planning policy documents. It uses a range of sustainability objectives and indicators to test whether the plans, policies and proposals can deliver sustainable development. An SA can be viewed as a yardstick against which the social, economic and environmental effects of the plan can be tested. Integrated into an SA are the requirements of the Directive 2001/42/EC in relation to the environmental assessment of the effect of certain plans and programmes. However, the sustainability appraisal covers wider social and economic effects of plans, as well as the more environmentally-focused considerations in the Directive.

The Planning and Compulsory Purchase Act 2004 required Local Authorities to produce Sustainability Appraisals (SA) for all local development documents including DPDs (now local plans) and SPDs. However the Town and Country Planning (Local Development) (England) (Amendment) Regulations 2009 has now removed the need for an SA of an SPD. This is because SPDs do not normally introduce new policies or proposals or modify planning documents which have already been subject to Sustainability Appraisal. Paragraph 008 of the National Planning Practice Guidance (NPPG) confirms that SPDs do not require a sustainability appraisal but may in exceptional circumstances require a strategic environmental assessment if they are likely to have significant environmental effects that have not already been assessed during the preparation of the Local Plan.

The council must consider the 2004 Regulations, which incorporate the requirements of the Directive. Regulation 5 of the Directive sets out the types of plans that require an environmental assessment, which includes those that set the framework for future development consent. Regulation 5 (6) provides an exemption and states that an environmental assessment need not be carried out: (a) for a plan or programme which determines the use of a small area at local level; or (b) for minor modification to a plan or programme unless it has been determined that the plan, programme or modification, as the case may be, is likely to have significant environmental effects.

Detailed guidance of the 2004 Regulations can be found in the Government publication 'A Practical Guide to the Strategic Environmental Assessment Directive' (ODPM 2005)

The council is required to consult with the prescribed statutory organisations (Natural England, English Heritage and the Environment Agency) on this Screening Statement for five weeks. The SEA Screening Statement should provide sufficient information to demonstrate whether the SPD is likely to have significant environmental affects.

Regulation 12 of the Town & Country Planning (Local Development) (England) Regulations 2012 states that the local planning authority must make copies of the SPD available for consultation over a period of at least 4 weeks. Southwark's Statement of Community Involvement (SCI) indicates that a 12 week consultation period is usually appropriate in Southwark.

### **3. Draft Development Viability SPD**

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The purpose of the draft SPD is to provide added details and explanation of the council's adopted policies on affordable housing and the procedure for ascertaining the level of affordable housing provision that can be viably secured through planning obligations.

Planning obligations are used as part of the planning application process to address specific planning issues and impacts arising from a development proposal. In dealing with planning applications, local planning authorities consider each on its merits and reach a decision based on whether the application accords with the relevant development plan, unless material considerations indicate otherwise.

Where applications do not meet these requirements, they may be refused. However, in some instances, it may be possible to make acceptable development proposals which might otherwise be unacceptable, through the use of planning conditions or, where this is not possible, through planning obligations. They are normally agreed between the Council, land owners and developers in a legal agreement called a Section 106 agreement.

To the benefit of developers and the wider public the draft SPD will provide clear guidance on when a viability appraisal is required, what methodology should be followed and the basis on which viability appraisals will be assessed by the council. This will ensure all applications are dealt with efficiently, consistently and transparently.

The draft SPD does **not** constitute new policy. It will be used to implement a number of existing policies and guidance as set out in the NPPF, NPPG, the Core Strategy (2011), Canada Water Area Action Plan (2015), Peckham and Nunhead Area Action Plan (2014) and the Aylesbury Area Action Plan.

The draft SPD should be considered alongside the Affordable Housing SPD (2008), the Draft Affordable Housing SPD (2011), the Section 106 Planning Obligations and Community Infrastructure (CIL) SPD (2015) Taken together these documents provide detailed guidance on implementation of Southwark's affordable housing policies and the use of planning obligations to secure planning policy requirements.

## 4. Criteria for Assessing the Effects of Supplementary Planning Documents

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### Strategic Environmental Assessment

The first stage in the SEA process is for the council to determine whether or not a plan is likely to have a significant effect on the environment. The 2004 Regulations advise that this is determined by a screening process, which should use a specified set of criteria for determining the significance of effects. The criteria are taken from schedule 1 (9 (2)(a) and 10 (4)(a) of the 2004 Regulations and are identified in appendix 1 of this statement.

### Sustainability Appraisal

ODPM's (2005) guidance suggests that where the authority has made a determination that the plan is unlikely to have any significant environmental effects (and is therefore exempt from the SEA directive) it must consider whether there are likely to be any significant economic or social effects. If these have been formally assessed in the context of the higher-level policies in local plans, it is unlikely that significant social and economic effects arise from the SPD

The London Plan and the Core Strategy contain the overarching parent policies and both documents have been the subject of sustainability appraisals. The Aylesbury AAP, Canada Water AAP and the Peckham and Nunhead AAP policies were appraised during their preparation and the appraisal results were reported in Sustainability Appraisal Reports.

The SAs for these development plans assessed the parent policies against a range of social, economic and environmental 'sustainability objectives' using a range of indicators to consider the contribution that each policy makes towards the achievement of each sustainability objective.

The draft SPD, once adopted, will neither change policy set out in the above mentioned development plans, nor add any new policies.

The application of the draft SPD guidance will not give rise to additional social and economic effects already identified through the SAs of the London Plan, Core Strategy, Canada Water AAP, Aylesbury AAP and Peckham and Nunhead AAP. These SAs have identified positive, uncertain and negative impacts of the policies and where these impacts can be mitigated through other guidance or policies.

## 5. Screening Assessment

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The draft SPD does not determine the use of land or constitute a minor modification to a plan. Based on the assessment in Appendix 1, it is demonstrated that the draft SPD does not give rise to significant environmental effects. It is unlikely there will be any significant environmental effects arising from the draft SPD that were not covered in the Sustainability Appraisals of the of the London Plan, Core Strategy, Canada Water AAP, Aylesbury AAP and Peckham and Nunhead AAP. Therefore it is not necessary to carry out a full SA/SEA on this document.

A Sustainability Appraisal has not been prepared because the draft SPD does not introduce new policies, determine the use of land or constitute a minor modification to a plan. It simply provides guidance on policies contained in the London Plan, Core Strategy, Canada Water AAP, Aylesbury AAP and Peckham and Nunhead AAP and supplements the guidance contained in existing Supplementary Planning Documents. The council considers that the draft SPD will not result in any additional significant effects to those already identified through the higher level sustainability appraisals. It provides more detailed guidance to developers to ensure that the potential positive effects identified in the SAs of the parent development plans are realised.

Planning is a statutory function carried out by local authorities. The development of planning policies and the impacts of planning decisions can affect everyone with an interest in land in the borough. The document will be of most relevance to the following stakeholders:

- Current and future residents who will benefit from the new provision of and improvements to infrastructure and other facilities that are funded by developer contributions or provided directly by developers, as a result of successful Section 106 negotiations and CIL.
- Developers (and their clients), landowners and those acting on their behalf (e.g. architects and planning agents) and members of the public who will be submitting or commenting on a planning application for a site in Southwark.
- The council.

The council will consult on the draft SPD and its SEA Screening Report and Statement of Reasons between 1<sup>st</sup> December 2015 and 15th February 2016. Consideration of responses and amendments to the draft SPD will take place from 15th February 2016. It is envisaged that the draft SPD will be adopted on 15<sup>th</sup> March 2016.

The Council's Statement of Community Involvement (SCI) explains how the local community can get involved in the preparation of planning policy documents and sets out methods of consultation for target groups.

Key stakeholders involved in the preparation of the SPD include:

- Cabinet Member for Regeneration, Transport and Planning
- Southwark Councillors
- External stakeholders including Southwark & Lambeth NHS



## Appendix 1: Criteria from schedule 1 of the Environmental Assessment of Plans and Programme Regulations 2004

**Table 1: Characteristics of the draft SPD**

| 1  | Criterion   | Is there an effect? | Is there significant environmental effect? | Justification   |
|----|---|---------------------|--|---|
| a) | The degree to which the plan or programme sets a framework for projects and other activities, either with regard to the location, nature, size and operating conditions or by allocating resources. | No                  | No   | While the draft SPD will not allocate resources it will promote the sustainable, economic delivery of affordable housing by providing a framework for assessing the viability of development proposals where viability is relied upon to justify a departure from planning policy requirements secured through planning obligations or planning condition. It sits at the lowest tier of the development plan hierarchy. The draft SPD provides more detail to the policies and principles established in upper tier plans which have been subject to SA incorporating SEA. |
| b) | The degree to which the plan or programme influences other plans and programmes including those in a hierarchy.   | No                  | No   | Not applicable. The draft SPD sits at the lowest tier of the development plan hierarchy and therefore does not influence other plans or programmes. Conversely, it is influenced by and in general conformity with upper tier documents at local, regional and national level.  |
| c) | The relevance of the plan or programme for the integration of environmental considerations in particular with a view to promoting sustainable development.  | No                  | No   | Not applicable. The draft SPD does not influence the integration of environmental considerations in particular with a view to promoting sustainable development.  |
| d) | Environmental problems relevant to the plan or programme.   | No                  | No   | The draft SPD will not introduce or exacerbate any environmental problems. Together with the Core Strategy and other adopted plans this draft SPD provides a context and framework for assessing development viability.   |

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| e) | The relevance of the plan or programme for the implementation of Community legislation on the environment (e.g. plans and programmes linked to waste-management or water protection. | No | No | Together with the upper tier plans the draft SPD provides a context and framework for assessing development viability. The draft SPD supplement's adopted planning policy and is not relevant to the implementation of Community legislation on the environment. |
|----|--|----|----|--|

**Table 2: Characteristics of the effects and of the area likely to be affected**

| 2  | Criterion  | Is there an effect? | Is there significant environmental effect? | Justification  |
|----|--|---------------------|--|--|
| a) | The probability, duration, frequency and reversibility of the effects. | No                  | No   | Together with the upper tier development plans the draft SPD provides a context and framework for assessing development viability.   |
| b) | The cumulative nature of the effects.                                  | No                  | No   | Together with the upper tier development plans the draft SPD provides a context and framework for assessing development viability. The draft SPD supplements adopted planning policy and there are no direct or cumulative effects arising from the draft SPD. |
| c) | The trans-boundary nature of the effects.                              | No                  | No   | Together with the upper tier development plans the draft SPD provides a context and framework for assessing development viability. The draft SPD supplements adopted planning policy and there are no direct or cumulative effects arising from the draft SPD. |
| d) | The risks to human health or the environment (e.g. due to accidents).  | No                  | No   | Together with the upper tier development plans the draft SPD provides a context and framework for assessing development viability. The draft SPD supplements adopted planning policy and there are no direct or cumulative effects arising from the draft SPD. |



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| e) | The magnitude and spatial extent of the effects (geographical area and size of the population likely to be affected.  | No | No | Together with the upper tier development plans the draft SPD provides a context and framework for assessing development viability. The draft SPD supplements adopted planning policy and there are no direct or cumulative effects arising from the draft SPD. |
| f) | The value and vulnerability of the area likely to be affected due to: i) Special natural characteristics or cultural heritage. ii) Exceeded environmental quality standards or limit values. lii) Intensive land-use. | No | No | Together with the upper tier development plans the draft SPD provides a context and framework for assessing development viability. The draft SPD supplements adopted planning policy and there are no direct or cumulative effects arising from the draft SPD. |
| g) | The effects on areas or landscapes which have a recognised national, Community or international protection status.  | No | No | Together with the upper tier development plans the draft SPD provides a context and framework for assessing development viability. The draft SPD supplements adopted planning policy and there are no direct or cumulative effects arising from the draft SPD. |