



TOWER HAMLETS

**SEA Screening Determination Letter and
Sustainability Appraisal Review**

**Development Viability Supplementary Planning
Document**

July 2017



1. Background

- 1.1 This document considers whether the Council's Development Viability Supplementary Planning Document (SPD) should be subject to a Strategic Environmental Assessment (SEA) and provides a Sustainability Appraisal Review. This document constitutes the Council's Determination Letter and accompanying Statement of Reasons.

2. The Development Viability SPD

- 2.1 The economic viability of development has become an important consideration, both in terms of plan-making and when determining planning applications. This is established in the National Planning Policy Framework (NPPF) which requires that the costs of any requirements applied to a development should allow for competitive returns to a willing land owner and willing developer to enable the development to be deliverable.
- 2.2 The Development Viability SPD has been prepared to provide clear guidance on viability for all types of development. This will assist developers, agents and planners while preparing and assessing planning applications in Tower Hamlets.
- 2.3 The Development Viability SPD will be a material consideration in the determination of planning applications in Tower Hamlets.

3. Purpose of this SA Review

- 3.1 A Sustainability Appraisal considers the potential impacts of a planning policy document on the environment, the economy and society. It does this by assessing the extent to which the planning document will help achieve a set of objectives that cover a range of issues, including air quality, landscape, water, health and the population. The Sustainability Appraisal also has to satisfy the requirements of the EC Directive 2001/42/EC on the assessment of the effects of certain planning documents and programmes on the environment (known as the Strategic Environmental Assessment [SEA] Directive).
- 3.2 There is no longer a statutory requirement for the Council to produce a Sustainability Appraisal for Supplementary Planning Documents (SPD); however, the requirement remains for Development Plan Documents (DPD). A Sustainability Appraisal was undertaken for the Council's Core Strategy 2010 and the Managing Development Document 2013.

- 3.3 Although it is not a statutory requirement to prepare a Sustainability Appraisal for SPDs, in pursuing best practice the Council has undertaken a Sustainability Appraisal Review for the Development Viability SPD. This Sustainability Appraisal review does not constitute a Sustainability Audit satisfying the EC Directive 2001/42/EC (or accompanying regulations), however, it will enable the Council to ensure that the social, economic and environmental impacts of the Development Viability SPD have been considered and that the SPD is a robust and coherent document that considers all aspects of sustainability. This document will also provide an efficient method of determining if the SPD is compatible with the sustainability objectives established in the Sustainability Appraisal for the Core Strategy.
- 3.4 The Development Viability SPD is also supported by Equality Analysis Quality Assurance Checklist.

4. SEA Screening Determination

Legislation

- 4.1 In accordance with the requirements of regulation 9(1) of the Environmental Assessment of Plans and Programmes Regulations 2004, the Council has determined that this SPD should not be subject to a Strategic Environmental Assessment (SEA) as the document provides information to supplement existing DPDs (Core Strategy 2010 and the Managing Development Document 2013), and is therefore considered to be a minor addition to these documents.
- 4.2 The Sustainability Appraisal Review also fulfils the function of a statement of the Council's reasons for its determination that SEA is not required.
- 4.3 Comments are able to be made on the content of this document during the consultation and engagement period. The Council will be consulting with the relevant statutory consultees alongside other interested individuals, groups and organisations.

Previous SEAs

- 4.4 The Council has previously undertaken a Sustainability Appraisal for the Core Strategy. The Sustainability Appraisal for the Core Strategy also satisfied the requirements of the EC Directive 2001/42/EC and SEA Regulations on the assessment of the effects of certain plans and programmes on the environment.
- 4.4 The Development Viability SPD is a supplementary document to the Core Strategy and as such is considered to be in-keeping with what

has already been assessed within the Core Strategy Sustainability Appraisal. Therefore a SEA is not required.

5. Decision (Determination Letter)

- 5.1 This Determination Letter considers the Development Viability SPD in relation to the assessments undertaken for the Core Strategy, to determine whether there would be any new likely significant effects.
- 5.2 Consideration has been given to the likely significant effects on the environment, including on issues, such as biodiversity, population, human health, fauna, flora, soil, water, air, climatic factors, material assets, cultural heritage including architectural and archaeological heritage, landscape and the interrelationship between the above factors.
- 5.3 Regulation 5(6) identifies when an environmental assessment does not need to be carried out, which is either the use of a small area at local level, or for a minor modification to a plan or programme, unless it has been determined that it is likely to have significant environmental effects.
- 5.4 The Development Viability SPD does not introduce new processes, rather it will provide guidance on the existing information requirements for financial viability assessments and the basis on which these will be assessed and made public. This will ensure that all applications are dealt with efficiently, consistently and with transparency.
- 5.5 LBTH has determined that a SEA is not required as the Development Viability SPD is a 'minor modification' of a previous plan and significant effects are not likely.
- 5.6 Regulation 9 (3) of the SEA Regulations requires that where it has been determined that a plan or programme is unlikely to have significant effects (and accordingly does not require an environmental assessment) a Statement of Reasons should be prepared. This is set out in Table 3.

6. Consultation

- 6.1 A copy of this SEA Determination Letter and Statement of Reasons can be viewed online here:
<http://www.towerhamlets.gov.uk/viability>
- 6.2 A copy will also be available for inspection by the public as at the Town Hall, Mulberry Place, 5 Clove Crescent, London E14 2BG.

6.3 If you require any further assistance, please contact the Development Viability Team on 020 7364 2343/1666 or email viability@towerhamlets.gov.uk

7. Development Viability SPD Context

7.1 Table 1 below provides an overview of the legislative and policy context for the Development Viability SPD.

Legislative Context	<ul style="list-style-type: none">• The Town & Country Planning Act 1990.• The Community Infrastructure Levy Regulations 2010 (Regulation 122 and Regulation 123).
Policy and Guidance Context	<ul style="list-style-type: none">• The National Planning Policy Framework (NPPF);• Planning Practice Guidance associated with the NPPF;• The London Plan• Tower Hamlets' Local Plan. It has also been formed to be consistent with the Council's emerging Local Plan;• The Mayor of London's Housing SPG;• The Mayor of London's Affordable Housing and Viability SPG.

8. Sustainability Appraisal Review

- 8.1 The objectives from the Core Strategy's SA have been used to assess the Development Viability SPD. The purpose of this exercise is to identify any negative impacts in the SPD, and where appropriate identify mitigation measures. The results of this assessment are set out in Table 3: Statement of Reasons.
- 8.2 In general, it is considered that the Development Viability SPD will contribute to achieving the principles of sustainable development and is aligned with the SA objectives established in the Core Strategy. It performs well against the SA objectives and no instances were identified where the SPD would conflict with the SA objectives.
- 8.3 Table 3 presents the results of the assessment against each SA objective using the key below in Table 2. Effects are permanent and of borough wide significance unless indicated otherwise in the commentary box.

Table 2: Criteria for Determining Significance of the Effect

Potential for significant positive effect	++
Potential for a minor positive effect	+
No relationship	N/A
Potential for a minor negative effect	-
Potential for significant negative effect	--
Uncertainty	?

Table 3: Statement of Reasons

<p>Sustainability Objective and Questions to Consider</p> <p><i>As set out by the Sustainability Appraisal of the Core Strategy (2009)</i></p>	<p>Objective Met?</p>	<p>Comments</p>	<p>Recommendations / Mitigation</p>
<p><i>Environmental</i></p>			
<p>Biodiversity: To conserve and enhance natural habitats and wildlife and bring nature closer to people.</p> <ul style="list-style-type: none"> • Will it conserve and enhance habitats and species in accordance with the Local Biodiversity Action Plan. In particular, will it avoid harm to national or London priority species and designated sites and habitats and species identified in the Local Biodiversity Action Plan? • Will it provide for the long-term management of natural habitats and wildlife? • Will it improve the quality and extent of designated and non-designated sites with the intention of achieving a net gain in biodiversity? • Will it provide opportunities to enhance the environment and create new conservation assets (or restore existing wildlife habitats) for example by integrating the creation of new habitats into the design of new buildings and areas? • Will it protect and enhance the borough’s water bodies to achieve a good ecological status? • Will it promote, educate and raise awareness of the 	<p>N/A</p>	<p>Objective falls outside the remit of the SPD.</p>	<p>Objective addressed through Core Strategy and MDD policies.</p>

<p>enjoyment and benefits of the natural environment?</p> <ul style="list-style-type: none"> • Will it bring nature closer to people, especially in the most urbanised parts of the borough, for example through the use of green and brown roofs? • Will it improve access to areas of biodiversity interest? • Will it enhance the ecological function and carrying capacity of the green space network? 			
<p>Water Quality & Water Resources: To improve the quality of surface waters and groundwater and to achieve the wise management and sustainable use of water resources.</p> <ul style="list-style-type: none"> • Will it reduce discharges to surface and groundwater? • Will it support sustainable urban drainage? • Will it improve the water systems infrastructure (e.g. water supply/sewerage)? • Will it reduce abstraction from surface and groundwater sources? • Will it reduce water consumption? • Will it encourage the consideration of the water cycle? 	N/A	Objective falls outside the remit of the SPD.	Objective addressed through Core Strategy and MDD policies.
<p>Natural Resources: To minimise the global, social and environmental impact of consumption of resources by using sustainably produced, harvested and manufactured local products.</p> <ul style="list-style-type: none"> • Will it reduce the demand for natural resources and raw materials from unsustainable sources? • Will it encourage the prudent and efficient use of natural resources? • Will it encourage the use of local sustainable 	N/A	Objective falls outside the remit of the SPD.	Objective addressed through Core Strategy and MDD policies.

products? <ul style="list-style-type: none"> • Will it reduce the extraction of minerals? • Will it reduce the borough's ecological footprint per capita? 			
<p>Climate Change: To address the causes of climate change through minimising the emissions of greenhouse gases and ensuring that London is prepared for its impacts.</p> <ul style="list-style-type: none"> • Will it minimise emissions of greenhouse gases? • Will it help London meet its emissions targets? • Will it reduce the numbers of cars entering London's congestion charge zone? • Will it protect the borough from climate change impacts? • Will it avoid exacerbating the impacts of climate change? • Will it help the borough adapt to the impacts of climate change? • Will it minimise the risk of flooding from rivers and watercourses to people and property? • Will it manage existing flood risks appropriately and avoid new flood risks? 	N/A	Objective falls outside the remit of the SPD.	Objective addressed through Core Strategy and MDD policies.
<p>Air Quality: To improve air quality</p> <ul style="list-style-type: none"> • Will it improve air quality? • Will it help to reduce emissions of PM10, NO₂? • Will it reduce emissions of ozone depleting substances? • Will it help to achieve national and international standards for air quality (for example, those set out in the Air Quality Regulations 2000 and (Amendment) Regulations 2002? (See objective 10 for further 	N/A	Objective falls outside the remit of the SPD.	Objective addressed through Core Strategy and MDD policies.

<p>details on transport criteria including the provision of infrastructure to achieve a modal shift)</p>			
<p>Energy: To achieve greater energy efficiency and to reduce reliance on fossil fuels for transport, heating, energy and electricity.</p> <ul style="list-style-type: none"> • Will it reduce the demand and need for energy? • Will it promote and improve energy efficiency (e.g. buildings)? • Will it increase the proportion of energy both purchased and generated from renewable and sustainable resources? 	N/A	Objective falls outside the remit of the SPD.	Objective addressed through Core Strategy and MDD policies.
<p>Waste: To minimise the production of waste across all sectors and increase reuse, recycling, remanufacturing and recovery rates.</p> <ul style="list-style-type: none"> • Will it minimise the production of household and commercial waste? • Will it promote reuse and recycling (e.g. in the design of housing or promoting recycling schemes in existing building stock etc) particularly in high density developments? • Will it help the borough achieve its statutory waste recycling targets? • Will it help to promote a market for recycled products? 	N/A	Objective falls outside the remit of the SPD.	Objective addressed through Core Strategy and MDD policies.

<p>Built and Historic Environment: To enhance and protect the existing built environment (including the architectural distinctiveness, townscape/landscape and archaeological heritage), and ensure new buildings are appropriately designed and constructed in a sustainable way.</p> <ul style="list-style-type: none"> • Will it protect and enhance sites, features and areas of historical, archaeological and cultural value/potential and their settings? • Will it conserve and enhance the townscape/cityscape character including the protection of views and landmark buildings? • Will it promote access to the historic environment and also contribute to better understanding of the historic environment? • Will it promote high quality design and sustainable construction methods? • Will it respect visual amenity and the spatial diversity of communities? • Will it enhance the quality of the public realm? • Will it protect and enhance areas of open space? • Will it promote the creation of new accessible local parks and facilities on the City Fringe? • Will it improve access to open space and improve the quality and quantity of publicly accessible greenspace? 	N/A	Objective falls outside the remit of the SPD.	Objective addressed through Core Strategy and MDD policies.
Social Objectives			
<p>Housing: To ensure that all Londoners have access to good quality, well-located, affordable housing that promotes liveability.</p> <ul style="list-style-type: none"> • Will it reduce homelessness? 	++	The SPD will provide guidance on the information requirements for preparing and	Planning applications will also need to have regard to housing policies in the Core

<ul style="list-style-type: none"> • Will it reduce the number of unfit homes, including those owned by Registered Social Landlords? • Will it reduce overcrowding? • Will it increase the range and affordability (both upfront and over its lifetime) of housing (taking into account different requirements and preferences of size, location, type and tenure)? • Will it ensure that appropriate services and facilities are in place for the new population? • Will it provide housing that ensures a good standard of living and promotes a healthy lifestyle? • Will it increase the number of Local Authority dwellings that meet the 'decent homes' standard? • Will it increase use of sustainable design and sustainable building materials in construction? • Will it improve energy efficiency and insulation in housing to reduce fuel poverty and ill health? • Will it provide housing that encourages a sense of community and enhances the amenity value of the community? 		<p>assessing financial viability assessments. This will help the Council ensure that developments provide the maximum reasonable level of affordable housing.</p> <p>The provision of affordable housing will therefore remove some of the barriers to home ownership and will benefit existing and future residents of the borough that are in need of affordable housing.</p>	<p>Strategy and MDD with regard to design, amenity, sustainability, accessibility, energy efficiency and place-making.</p>
<p>Liveability and Place: To create and sustain liveable, mixed use physical and social environments that promote long- term social cohesion, sustainable lifestyles and a sense of place.</p> <ul style="list-style-type: none"> • Will it create and sustain vibrant and diverse communities and encourage increased engagement in recreational, leisure and cultural activities? • Will it increase the provision of culture, leisure and recreational activities for all: this could include quality, affordable and healthy food, as well as cultural, sporting, or leisure opportunities including those associated with the Olympic legacy? 	<p>++</p>	<p>The SPD will ensure that the borough's objectives for the delivery and design of affordable housing are taken into account in new developments which provide a mix of tenures, to meet the needs of all residents.</p>	<p>Planning applications will also need to have regard to housing policies in the Core Strategy and MDD with regard to design, amenity, sustainability, accessibility, energy efficiency and place-making.</p>

<ul style="list-style-type: none"> • Will it provide opportunities for people to choose an active, fulfilling life? • Will it increase the provision of key services, facilities and employment opportunities? • Will it positively enhance and promote the perceived sense of place held by the community? • Will it protect and enhance the provision of open space? • Will it encourage a mix of land uses? • Will it reduce the urban heat island effect associated with increasingly dense development? 			
<p>Education and Skills: To maximise the education and skills levels of the population.</p> <ul style="list-style-type: none"> • Will it increase the opportunities for educational and vocational goals to be achieved through employment and entrepreneurial opportunities? • Will it provide the infrastructure to help increase the levels of participation and attainment in education? • Will it improve overall achievement of the borough's primary and secondary school children? • Will it help improve employee education/training programmes? • Will it help improve the qualifications and skills of young people? • Will it help promote lifelong learning activities? • Will it help support the voluntary sector and promote volunteering? • Will it help promote sustainable development education? • Will it help reduce skills shortages? • Will it help to reduce the disparity in educational 	N/A	Objective falls outside the remit of the SPD.	Objective addressed through Core Strategy and MDD policies.

<p>achievement between different ethnic groups?</p> <ul style="list-style-type: none"> • Will it promote multiple uses of schools? 			
<p>Ownership and Participation: To promote civic participation, ownership and responsibility and enable individuals, groups and communities to contribute to decision-making at neighbourhood, borough and regional levels in London.</p> <ul style="list-style-type: none"> • Will it promote social cohesion and encourage engagement in community activities? • Will it increase the ability of people to influence decisions? • Will it support civic engagement and encourage the involvement and participation of a diverse range of stakeholders? • Will it promote community spirit and encourage community networks? • Has consideration been given to cross boundary issues and the potential for working in conjunction with other authorities? 	+	<p>The SPD will provide guidance on the information requirements for preparing and assessing financial viability assessments. This will help the Council ensure that developments provide the maximum reasonable level of affordable housing.</p> <p>The provision of affordable housing will contribute positively to civic participation, the delivery of balanced and sustainable communities and hopefully increase trust in the planning system.</p>	<p>Developers are encouraged to undertake community engagement with local residents and stakeholders. The Council also undertakes consultation with local residents and stakeholders during the Planning Application stage.</p>
<p>Health and Well-being: To maximise the health and well-being of the population and reduce inequalities in health.</p> <ul style="list-style-type: none"> • Will it reduce poverty and health inequalities? • Will it improve mental wellbeing? • Will it improve access to high quality public services 	+	<p>The SPD will provide guidance on the information requirements for preparing and assessing financial viability assessments.</p>	<p>Further assessment to be undertaken at the planning application stage and through the negotiation of the</p>

<p>(including health facilities)?</p> <ul style="list-style-type: none"> • Will it address the causes of key health issues including high rates of cardio-vascular disease and lung cancer? • Will it create an environment that will promote and support physical activity and other healthy behaviours?? • Will it improve access by active travel means such as walking, cycling and public transport? 		<p>This will help the Council ensure that developments provide the maximum reasonable level of affordable housing.</p> <p>The provision of more affordable housing will contribute positively to the physical and mental well-being associated with the provision of appropriate housing which is of high quality and meets specific needs such as bedroom sizes and accessibility.</p>	<p>planning obligation, to ensure the health and well-being of the boroughs residents is maximised.</p>
<p>Safety and Security: To enhance community safety by reducing crime, antisocial behaviour and the fear of crime.</p> <ul style="list-style-type: none"> • Will it help reduce the number of vehicle crimes? • Will it help reduce the number of burglaries? • Will it help reduce the number of racial incidents? • Will it reduce the fear of crime? • Will it reduce antisocial behaviour? • Will it reduce actual noise levels and disturbances from noise? • Will it reduce the risk of terrorist attack? 	<p>N/A</p>	<p>Objective falls outside the remit of the SPD.</p>	<p>Objective addressed through Core Strategy and MDD policies.</p>
<p>Equality and diversity: To ensure equitable outcomes for all communities, particularly those most liable to</p>	<p>N/A</p>	<p>An Equality Analysis Quality Assessment</p>	<p>The SPD is also subject to an</p>

<p>experience discrimination, poverty and social exclusion.</p> <ul style="list-style-type: none"> • Will it reduce poverty and social exclusion in those areas and communities most affected? • Will it promote a culture of equality, fairness and respect for people and the environment? • Will it promote equality for black and minority ethnic communities, women, disabled people, lesbians, gay men, bisexual and transgender people, older people, young people, children and faith groups? • Will it benefit the equality target groups listed above? 		<p>Checklist has been undertaken and has identified that the Development Viability SPD is unlikely to have any impacts on any particular equalities groups.</p>	<p>Equalities Analysis.</p>
Economic Objectives			
<p>Accessibility / Availability (Transport): To maximise the accessibility to key services and amenities and increase the proportion of journeys made by public transport, by bicycle and by foot (relative to those taken by car).</p> <ul style="list-style-type: none"> • Will it encourage a modal shift to more sustainable forms of travel as well as encourage greater efficiency (e.g. through car-sharing and use of waterways)? • Will it provide the infrastructure required to achieve a modal shift to more sustainable forms of transport? • Will it reduce the overall need for people to travel by improving their access to the services, jobs, leisure and amenities in the place in which they live? • Will it reduce traffic volumes and traffic congestion? • Will it reduce the length of commuting journeys? • Will it help to provide a more integrated transport service from start to finish i.e. place of residence to point of service use or place of employment? • Will it increase the capacity of public transport? 	<p>N/A</p>	<p>Objective falls outside the remit of the SPD.</p>	<p>Objective addressed through Core Strategy and MDD policies.</p>

<ul style="list-style-type: none"> • Will it increase the number of sub-regional and orbital public transport routes that reduce reliance on the car? • Will it promote locally-based employment? • Will it improve accessibility to work by public transport, walking and cycling? • Will it reduce road traffic accidents? • Will it promote inter-borough connectivity? 			
<p>Regeneration & Land Use: To stimulate regeneration and urban renaissance that maximises benefits for the most deprived areas and communities and to improve efficiency in land use through the sustainable reuse of previously developed land and existing buildings.</p> <ul style="list-style-type: none"> • Will it provide a viable network of complementary centres? • Will the regeneration have immediate and long-term benefits for deprived areas? • Will it help to make people feel positive about the area they live in? • Will it help to create a sense of place and ‘vibrancy’? • Will it help reduce the number of vacant and derelict buildings? • Will it minimise the loss of soils to development? • Will it improve soil quality and tackle contamination? 	N/A	Objective falls outside the remit of the SPD.	Objective addressed through Core Strategy and MDD policies.
<p>Employment: To offer everyone the opportunity for rewarding, well-located and satisfying employment.</p> <ul style="list-style-type: none"> • Will it generate satisfying and rewarding new jobs? • Will it help to provide employment in the most 	N/A	Objective falls outside the remit of the SPD.	Objective addressed through Core Strategy and MDD policies.

<p>deprived areas and stimulate regeneration?</p> <ul style="list-style-type: none"> • Will it reduce overall unemployment, particularly long-term unemployment? • Will it help to improve levels of income and help to deliver a living wage to all? • Will it encourage flexibility of work, including voluntary and part-time work? • Will it encourage volunteering and promote the value of unpaid work? • Will it encourage the development of healthy workplaces? • Will new employment opportunities be well served by public transport? 			
<p>Stable Economy: To encourage a strong, diverse and stable economy and to improve the resilience of businesses and their environmental, social and economic performance.</p> <ul style="list-style-type: none"> • Will it improve sustainable business development? • Will it improve the resilience of business and the economy? • Will it help to diversify the economy? • Will it prevent the loss of indigenous businesses? • Will it encourage business start-ups and support the growth of businesses? • Will it encourage ethical and responsible investment? • Will it reduce levels of deprivation? • Will it safeguard the best of the employment land portfolio? • 	N/A	Objective falls outside the remit of the SPD.	Objective addressed through Core Strategy and MDD policies.
<p>Creativity and Innovation: To promote creativity and</p>	N/A	Objective falls outside	Objective addressed

<p>innovation in the environmental and social economy (including new clean technologies, renewable energy, pollution control and the skills sector).</p> <ul style="list-style-type: none"> • Will it help to diversify the economy? • Will it encourage investment in new technologies, new solutions, new plans and new ideas that contribute to achieving progress towards sustainability? • Will it boost the green technology sector? 		<p>the remit of the SPD.</p>	<p>through Core Strategy and MDD policies.</p>
---	--	------------------------------	--