

## **SOUTHWARK COUNCIL NOTE: AFFORDABLE RENT**

1. This note is a written response from Southwark Council in relation to the questions raised in the objector's opening statement.
2. It sets out:
  - a) A brief chronology of the introduction and development of the product 'Affordable Rent' into planning policy.
  - b) Factual information on the three Notting Hill schemes referred to within the objector's opening statement.
  - c) Factual information on site 1a and site 7 of the Aylesbury estate.
3. Where possible it sets out the tenure mix reported to Planning Committee, the mix referred to within the Section 106 agreement, and what has been delivered on each site. It provides a summary of the social rent and affordable rent units proposed or completed in response to the questions raised by the objectors.

### **a. CHRONOLOGY OF AFFORDABLE RENT (specific to planning policy)**

4. Affordable rent is included as a form of affordable housing alongside social rent and intermediate housing in both national and regional planning policies. The below sets out a brief chronology of the introduction and inclusion of affordable rent into planning policy.
  - 4.1. DCLG consulted on a White Paper "Local decisions: a fairer future for social housing" from 22 November 2010 to 17 January 2011. This outlined national government's introduction of affordable rent. The Council objected to the consultation document.
  - 4.2. February 2011, the Homes and Communities Agency published its "2011-2015 Affordable Homes Programme – Framework", setting out its approach to fund the provision of new affordable housing. It also set out government's intention to largely replace social rented housing with affordable rent, at up to 80% of market rents.
  - 4.3. Planning Policy Statement 3: Housing. An update was consulted on in March 2011 to include affordable rent as a type of affordable housing alongside social rent and intermediate. The Council objected to this.
  - 4.4. Planning Policy Statement 3: Housing was adopted in June 2011, formally introducing affordable rent into planning policy.
  - 4.5. December 2011. The Council took a report to Planning Committee outlining the Council's concern with the new product affordable rent, and setting out options of how this would be dealt with until new Southwark planning policies could be prepared. These options are applied when the Council receives applications which include affordable rent to ensure that the Council maximises affordable housing provision and meets housing need.

- 4.6. The Mayor of London consulted on Early Minor Alterations to the London Plan to include affordable rent within the policy from 6 February to 23 March 2012. The Mayor then published Revised Early Minor Alterations for consultation from 6 June to 31 July 2012. The Council objected to these. Officers attended the Examination in Public in November 2012 to put forward the Council's concern with affordable rent and that boroughs should be allowed to set their own affordable housing policies to meet their objectively assessed housing need. Southwark objected both by itself and with a joint response with other London boroughs.
- 4.7. The National Planning Policy Framework was published in March 2012 and includes affordable rent as one of the three types of affordable housing.
- 4.8. The Revised Early Minor Alterations (REMASs) to the London Plan were adopted in October 2013.
- 4.9. Southwark Council judicially reviewed the Mayor's decision to adopt the REMAs with eight other boroughs (Islington, Camden, Brent, Enfield, Greenwich, Hackney, Lambeth, and Tower Hamlets). The hearings were held on 13 and 14 March 2014. The judicial review was unsuccessful.

**b. SCHEMES**

5. This section responds to the three borough-wide schemes put to the Council in the objector's opening statement. The information sets out the factual information provided in each of the Planning Committee and Section 106 agreements and delivery where possible. It sets out a brief summary as to whether the implemented scheme delivers the tenure mix specified in the Planning Committee report and the Section 106 agreement.

**Bermondsey Spa Site C: 10-AP-3010**

Table 1: Bermondsey Spa Site C: 10-AP-3010

	<b>Planning Committee report (21/12/2010)</b>	<b>Section 106 agreement (25/01/2011)</b>	<b>Delivery</b>	<b>Notes</b>
<b>Social rented</b>	44	44		
<b>Affordable rent</b>			44	
<b>Intermediate</b>	24	24	102	Some of the market units were agreed to be delivered as intermediate units
<b>Total affordable</b>	68	68	146	
<b>Private</b>	137	137	59	
<b>Total units</b>	205	205	205	
<b>Summary and conclusions</b>	<p>The Planning Committee report states 44 social rented units. The Section 106 agreement states 44 Affordable Rented Units but with reference to the detailed Section 106 wording in table 2 (see below). The Section 106 refers to the housing to “meet targets for Affordable Rented Housing” and refers to Southwark and the Mayor’s SPD/SPGs for definitions of affordable housing. These documents do not include affordable rent and in the Council’s view the intention of the Section 106 agreement was to secure social rented units, as specified in the Planning Committee report.</p> <p>If the Council’s interpretation is correct and delivery has not been in accordance with that obligation then the Council will need to address that as a breach of planning control in the ordinary way.</p> <p>In addition some of the private units are now being delivered as intermediate which the Council supports.</p>			

Table 2: Extracts from the Bermondsey Spa Site C Section 106 agreement

<b>Page</b>	<b>Definition</b>	<b>Detailed wording</b>
4/5	Affordable Housing	“The 68 Dwellings to be constructed upon the Site being 242 Habitable Rooms pursuant to the Approved Affordable Housing Mix and to include the Affordable Rented Units and the Intermediate Housing Units.”
5	Affordable Rented Units	44 Affordable Housing Units shown for the purpose of identification only as edged [ ] on Plan [ ] available for rent in perpetuity such that (a) the target cost of rent and service management charges meet targets for affordable rented housing set by the Homes and Community Agency from time to time Or any successor regime imposed by the Homes and Communities Agency or any successor public authority and (b) is consistent with the Council’s Affordable Housing Supplementary Planning Document extant at the time of Implementation and the requirements of the London Plan and the Mayor’s Housing SPG provided that if there is

		inconsistency between the rent and service charge levels set by reference to (a) and (b) of this definition (a) will apply;"
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**Edmund Street: 11-AP-4309**

Table 3: Edmund Street: 11-AP-4309

	<b>Planning Committee report (28/02/2012)</b>	<b>Section 106 agreement (22/03/2012)</b>	<b>Deed of variation to Section 106 agreement (15/01/2015). Delegated decision by the Director of Planning</b>	<b>Delivery (due to complete Autumn 2015)</b>	<b>Notes</b>
<b>Social (including affordable rent)</b>	63 Note – the planning committee breaks the social rent (including affordable rent) into the two sub-sets below to define the numbers of social rent and affordable rent		Variation in para. 3.4.1 to state: "It is agreed that the Developer may let Affordable Rent Units at the rents charged for Social Rented Units of equivalent sizes to Aylesbury Estate Tenants until such time as the relevant Aylesbury Estate Tenant vacates the relevant Affordable Rent Unit".		Planning Committee report refers to Social (including affordable rent – specifying the break down between social and affordable rent stating 41 would be social rent and 22 would be affordable rent, consistent with the Council's Planning Committee report on Affordable Rent)
<b>Social rent</b>	41	41		59	
<b>Affordable rent</b>	22	22		4	
<b>Intermediate</b>	24	24		120	Some of the market units were agreed to be delivered as intermediate units
<b>Total affordable</b>	87	87		183	
<b>Private</b>	192	192		96	
<b>Total units</b>	279	279		279	

<b>Summary and conclusions</b>	<p>The Planning Committee report and the Section 106 agreement are consistent in terms of the number of social rent and affordable rented units: 41 social rent and 22 affordable rent.</p> <p>The Deed of Variation to the Section 106 agreement allowed some of the affordable rent units to be let at social rent levels and so the completed scheme sees 59 social rented units and 4 affordable rent units. It also increases the number of intermediate units which the Council supported.</p>
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**Jamaica Road/Abbey Street: 12-AP-3127**

Table 4: Jamaica Road/Abbey Street: 12-AP-3127

	<b>Planning Committee report (05/02/2013)</b>	<b>Section 106 agreement (04/03/2013)</b>	<b>Delivery (on site. Due to complete Autumn 2015)</b>	<b>Notes</b>
<b>Social rent</b>	5	5	5	
<b>Affordable rent</b>	4	4	4	
<b>Intermediate</b>	5	5	42	All of the market units were agreed to be delivered as intermediate units
<b>Total affordable</b>	14	14		
<b>Private</b>	37	37		
<b>Total units</b>	51	51	51	
<b>Summary and conclusions</b>	<p>The specification and delivery of social rent and affordable rent is consistent between the Planning Committee report, Section 106 agreement and the actual delivery (5 units social rent, 4 units affordable rent).</p> <p>The market units were substituted to intermediate housing after the section 106 agreement to the satisfaction of the Council.</p>			

c. AYLESBURY

Aylesbury Site 1a: 07-AP-0046

Table 5: Site 1a: 07-AP-0046

	Planning consent granted (11/06/2007)	Variation agreed (25/03/2009)	Delivery	Notes
Social rent	90	101	101	
Affordable rent				
Intermediate	29	33	33	
Total affordable	119	134	134	
Private	141	126	127	
Total units	260	260	261	
<b>Summary and conclusions</b>	Planning consent was granted for 90 social rent units. A variation to the section 106 agreement was agreed to increase the amount of social rented units to 101 social rented units.			

Aylesbury Site 7 : 12-AP-2332

Table 6: Site 7 : 12-AP-2332

	Planning Committee report (06/11/2012)	Section 106 agreement (19/02/2013)	Delivery (under construction)	Notes
Social rent	49	49		
Affordable rent				
Intermediate	27	27		
Total affordable	76	76		
Private	71	71		
Total units	147	147		
<b>Summary and conclusions</b>	The Planning Committee report and Section 106 agreement both report 49 social rented units. This is the proposed number of social rented units for the scheme currently under construction.			