

Objectors reply to Southwark Note: Affordable Rent (tabled CPO inquiry 1 May 2015)

Paragraph and table references are to the Note unless otherwise stated.

- 1 Para 4.3 states that affordable rent was adopted into national planning policy in June 2011. This is after the Bermondsey Spa planning application was approved and secured by legal agreement in Jan 2011, thus there would have been no national policy support for the affordable rent in that development.
- 2 Para 4.5 refers to a Planning Committee report of Dec 2011 that sets out options for dealing with affordable rent 'until new Southwark planning policies could be prepared'. The Council has not put such a policy in place; in the draft New Southwark Plan (Oct 2014), which is to replace the Core Strategy and saved Southwark Plan policies, Southwark maintains its opposition to affordable rent and states that it will 'Only allow affordable rent in exceptional circumstances' (DM 2.5 pg 17).
- 3 Table 1 states that 44 units of Social rented units at Bermondsey Spa were agreed in the S106 legal agreement. This is plainly wrong, as the relevant extract from the agreement reproduced in Table 2 makes clear, where the 'Definition' of the '44 Affordable Housing Units' is 'Affordable Rented Units'. The S106 agreement was to clearly deliver Affordable rent, not Social rent.
- 4 Table 1 Summary and Conclusions The Council only offers a qualified 'view' or 'interpretation' of why the Social rented units were switched to Affordable rent at Bermondsey Spa, not an explanation. The Council is the planning authority and party to the S106 and the Objectors find it absurd that the Council offers only an interpretation of its own actions, not a proper explanation.

Further, the 'interpretation' offered depends upon Notting Hill Housing understanding that 'Social rented' housing was meant where the S106 said 'Affordable rent', because the Mayor and Southwark's SPD/SPGs had no definition of Affordable rent. This is implausible and begs the question why a term that had no policy definition was allowed into the agreement.

The Objectors also refer the Inspector to our Opening Submission and the S106 definition of Social Rented units for Elmington estate (Edmund Rd), concluded in Mar 2012, at about the same time as the Bermondsey Spa agreement. This definition is identical to that in the Bermondsey Spa agreement, but is used to describe 'Social Rented Units'. This both demonstrates that the definition is ambiguous and capable of being interpreted as either social or affordable rent and, further, that when it wishes Southwark is able to define which it wants; at Bermondsey Spa it agreed to Affordable rent, not Social rent.
- 5 Table 3 Edmund St, Deed of variation column The Objectors note that the social rent levels for Affordable Rent units only apply for the first tenant, should they be ex-Aylesbury estate tenants, and would then presumably rise to Affordable Rent levels.
- 6 Tables 1,2,3,4,5 The Objectors note that large switches of tenure were made after planning approval, which we tabulate below (Table A). In the case of Bermondsey Spa and Edmund St these switches were made without reference back to the planning committee; a deed of variation to the

S106 agreement was made by delegated decision for Edmund St. A deed of variation was approved by planning committee in the case of Aylesbury Site 1a.

The Objectors note that the switches in tenure in all cases increase the total amount of affordable housing, but that nearly all of that increase is devoted to intermediate housing and affordable rent, with only a small increase in social rented units on two sites and with a net loss overall in social rented housing (NB Total units delivered remain as total approved at planning committee).

Table A: Switches in tenure after planning approval (by unit)

| Scheme | Private | Total affordable | Total affordable | | | Total Units approved/delivered |
|----------------------|-------------|------------------|------------------|-----------------|-------------|--------------------------------|
| | | | intermediate | Affordable Rent | Social Rent | |
| Bermondsey Spa | -78 | +78 | +78 | +44 | -44 | 205 |
| Edmund St | -96 | +96 | +96 | -18 | +18 | 279 |
| Jamaica Rd/Abbey St | -37 | +37 | +37 | 0 | 0 | 51 |
| Aylesbury Site 1a | -14 | +15 | +4 | 0 | +11 | 260/261 |
| Net gain/loss | -225 | +226 | +215 | +26 | -15 | 795/796 |

The Objectors believe that these cases demonstrate a clear pattern – in 3 out of 4 cases a planning approval was obtained by the applicant, Notting Hill Housing, and then changed afterwards, by different means, to increase the intermediate housing by a large amount, with a reduction in social rented housing or with any increase kept relatively small.

Table B shows the impact of these changes on the overall mix of affordable housing. Bermondsey Spa has lost all its social housing, but increased its intermediate by nearly eighty to 102; Edmund St has a relatively small increase of social rented to fifty-nine, but increases its intermediate units by nearly a hundred to 120; similarly Jamaica Rd/Abbey St has no increase in social rent units, but increases its intermediate units from 5 to 42. Only the changes to Aylesbury Site 1a have a relatively neutral impact on the ratios.

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Table B: Impact of tenure switches on affordable housing ratios (figures taken from Southwark Note: Affordable rent)

| | Bermondsey Spa | | | Edmund St | | | Jamaica Rd/Abbey St | | | Aylesbury Site 1a | | |
|--------------|-------------------|------|----------|-------------------|------|----------|---------------------|------|----------|-------------------|------|----------|
| | Planning approval | S106 | Delivery | Planning approval | S106 | Delivery | Planning approval | S106 | Delivery | Planning approval | S106 | Delivery |
| Social rent | 44 | 44 | 0 | 41 | 41 | 59 | 5 | 5 | 5 | 90 | 101 | 101 |
| Afford. rent | 0 | 0 | 44 | 22 | 22 | 4 | 4 | 4 | 4 | - | - | - |
| Intermediate | 24 | 24 | 102 | 24 | 24 | 120 | 5 | 5 | 42 | 119 | 134 | 134 |

Southwark's planning policy requires a 70:30 split in affordable housing between social rent and intermediate housing respectively for all these developments (Policy 4.4 Southwark Plan; Strategic Policy 6 Core Strategy), except the Aylesbury, where a 75:25 split is required by the Aylesbury Area Action Plan.

In the cases of Bermondsey Spa, Edmund St, and Jamaica Rd/Abbey St the ratios of social rent to intermediate housing units were approximately compliant with policy when planning approval was given, but by the time of delivery and after the switches of tenure, the ratios had become emphatically non-compliant – indeed the ratios have been reversed and more.

This is deliberately contrary to Southwark's Core Strategy and affordable housing policy, which sets the ratios of social rent and intermediate housing with the policy objective of using new developments to 'achieve mixed and balanced communities' (Strategic Policy 6 Core Strategy; Policy 4.4 Southwark Plan).

In summary the Objectors reply to Southwark's Note is that;

- it confirms that there was no national policy in place to support affordable rent units at Bermondsey Spa
- Southwark's explanation of the tenure switch at Bermondsey Spa is implausible and simply seeks to shift blame to the applicant/developer, Notting Hill Housing Trust
- in the instances cited the planning system is not being respected by Notting Hill Housing Trust and Southwark Council have failed to ensure the delivery of the social housing that its planning policies require and which its planning committee gave approval to.
- the switches of tenure made in these instances is contrary to Southwark's policy aim of creating a mixed and balanced community and there can be no confidence it will enforce this policy in the Aylesbury scheme

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- there is a lack of transparency and consequent lack of accountability in how the planning system has worked in these cases, which demonstrates that Southwark Council and Notting Hill Housing cannot deliver the scheme that underlies the CPO Southwark seeks.

We therefore respectfully ask that the Secretary of State rejects the CPO Southwark Council seeks.

11 May 2015