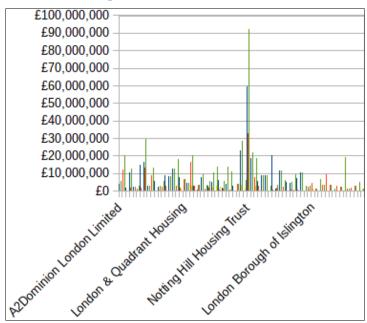
THE LONDON BOROUGH OF SOUTHWARK (Aylesbury estate phase 1b/1c) COMPULSORY PURCHASE ORDER 2014 DCLG Ref:NPCU/CPO/A5840/74092 Opening Submission by the Objectors

Tenure-mix compliance

- 1. The Development plan for the scheme underlying the Order is the Aylesbury Area Action Plan which was approved by an examination in public in 2009 and adopted by the Council in 2010. This required 75% of the affordable housing element of the scheme to be social rented housing.
- 2. However, a year later the incoming Tory/Lib Dem government instigated social housing reforms as part of its austerity cuts. As part of these reforms, funding for social rented housing was axed and replacement funding streams were introduced that were conditional upon the provision of a new 'affordable rent' tenure, which would allow rents to be set at up to 80% of local market rents.
- 3. Many housing associations criticised the new affordable rent tenure and its obvious failure to address basic housing need for households on low incomes. Notting Hill Housing Trust however, welcomed the tenure change proposals. In its response¹ to the DCLG on its consultation for the reforms it said "Notting Hill strongly welcomes the Government's social housing reforms" and "the higher levels of income that associations will receive from affordable rent tenancies."
- 4. While many housing associations responded by refusing to apply for the new funding streams², Notting Hill secured record funding allocations totalling a staggering £92m ten times the average allocation across providers³.



Total Housing Covenant Funding Allocations: 2015-18-

- 1 See https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/8483/2109183.pdf
- 2 See article in OCD3
- 3 See XLS data in 'Mayor's Housing Covenant Allocations July 2014' from at the following url: https://www.london.gov.uk/priorities/housing-land/increasing-housing-supply/mayor-housing-covenant-2015-2018

5. In March this year, Greater London Assembly Member Darren Johnson tabled a formal written question to the Mayor, asking how many social rented homes were provided for in Notting Hill's £92m total housing covenant funding allocation. The Mayor replied that of the 3,922 homes included in this allocation, only 81 were linked to the provision of social rented homes.

Mayor's Question Time - Wednesday, 25 March 2015

Subject: Housing covenant allocations

Written Question No: 2015/0845

From: Darren Johnson

Can you provide me with a breakdown of homes by (a) social rent, (b) affordable rent, (c) low cost home ownership and (d) market homes in the contract with the Notting Hill Housing Trust, which has been allocated £92,258,837 in your housing covenant programmes?

Written response from the Mayor:

The allocation of £92,258,837 to Notting Hill Housing Group referred to in this MQ was to deliver:

- . 81 home for social rent homes,
- . 2,171 homes for affordable home ownership, and
- . 1,670 homes for Affordable Rent split equally between discounted and capped.
- . No market homes were funded through this allocation.

6. Assembly Member Johnson asked the same question to the Mayor about Notting Hill's funding under the Mayor's separate 'Estate Regeneration Fund'. This time, instead of replying using the term social rented, the mayor said that there were 1,330 homes at 'target rent' included in this funding. He went on to explain that there were also 348 homes at 'target rent' included in the housing covenant allocation referred to in the first question. Given that there were just 81 social rented homes in this allocation, it is clear that by 'target rent', the Mayor must be referring to the affordable rented element of that allocation.

Subject: Aylesbury estate tenure Written Question No: 2015/0846

From: Darren Johnson

Can you provide me with a breakdown of homes by (a) social rent, (b) affordable rent, (c) low cost home ownership and (d) market homes that you currently expect the Notting Hill Housing Trust to build on the Aylesbury Estate using allocations from your housing covenant and the estate regeneration fund?

Written response from the Mayor:

The estate regeneration fund is facilitating the creation of 3548 new

homes at the Aylesbury Estate.

1774 of these will be affordable homes, 1330 of these at target rent, 444 will be low cost home ownership. 1774 will be market homes.

Notting Hill has had funding approved for 450 units on the Aylesbury Estate in my housing covenant 15-18 programme. 348 of these are at target rent (40 of these 348 are extra care units) and 102 for low cost home ownership (10 of these 102 are extra care units).

'Target rent'? = affordable rent, not social rent

- 7. The same term <u>'target rent'</u> has been referred to throughout Notting Hill's consultation process and planning application for the Aylesbury redevelopment. In the objection to the planning application, submitted by the 35% campaign and supported by 133 objections, we pointed out that whilst the term <u>'target rent'</u> appears as part of the definition of social rented tenure i.e. "target rents for social rented housing", the standalone term 'target rent' has no policy definition in any of the local, regional or national planning policies governing the Order land. We also pointed out that there were "target rents for affordable rented housing".
- 8. In summary, the term <u>'target rent'</u> is being deliberately used to obscure the fact that affordable rent rather than the required social rented tenure is being delivered. This provides a solution to the problem faced by the GLA, Southwark and Notting Hill, i.e. that they have committed to a development scheme which requires social rent, but for which funding is only available for the provision of affordable rent.

Tenure switch - sleight of hand

- 9. Even in cases where Notting Hill has used the term social rent in its planning application there has been a tenure switch *sleight of hand* later enabling it to deliver affordable rent under the terms of the planning legal agreement.
- 10. On 21st December 2010, Southwark's planning committee approved an application by Notting Hill for demolition of part of the Neckinger estate Bermondsey Spa regeneration. It involved the construction of 205 new homes (ref:10/AP/3010) including provision for 44 social rented units (confirmed in both the officer's report and the GLA planning report). However, in the terms of the S106 legal agreement with Notting Hill, signed a month later on 25th Jan 2011, these 44 'social rented' units had been defined using the legal definition of the affordable rented tenure product(i.e. up to 80% market rent).
- 11. In their reply⁴ to a question from a local ward councillor, Notting Hill confirmed that these 44 (supposedly social rented) homes are now let at affordable rents averaging 58% of market rent. According to Southwark's Dec 2014 Affordable Rent Study⁵, this is twice what the social rents should have been for these homes and well beyond the means of most Southwark residents.

⁴ See appendix 4

⁵ See LBS Dec 2014 Affordable Rent Study - http://www.southwark.gov.uk/download/downloads/id/11603/affordable rent study december 2014 update

12. On 28 February 2012, Southwark's planning committee approved an application from Notting Hill to redevelop part of the Elmington estate in Camberwell (ref:11/AP/4309). Again this included provision for 41 social rented homes as part of the development, and again the definition of social rent was switched to affordable rent when the S106 legal agreement was signed a month later (22nd March 2012).

"Social Rented Units"

41 Affordable Housing Units available for rent in perpetuity such that (a) the total cost of rent and service management charges meet targets for affordable rented housing set by the Housing Corporation and successor bodies from time to time in existence 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 Mayors Housing SPG in relation to social rented units;

Elmington estate redevelopment (11/AP/4309) - S106 legal agreement

- 13. The same tenure switch to affordable rent was effected by Notting Hill on its Abbey
- House development in Southwark (ref:12/AP/3127). Notting Hill's application for the redevelopment of this former Royal Marines barracks promised a number of social rented homes, which were similarly switched to affordable rent in the S106 agreement.
- 14. A fourth example is the former council-owned site neighbouring the Aylesbury estate. In this case Notting Hill effected the tenure switch at an earlier stage: between the consultation and the submission of the planning application. As is clear from the consultation documents⁶, a number of social rented homes were proposed, which were later switched to affordable rent when the planning application was submitted. To further muddy the waters, Notting Hill described these 'social rented' homes as set at "up to 50% of local market rents".

Rented Homes

In co-operation with Southwark Council, Notting Hill Housing has proposed a mix of rents that offer the most amount of choice to local residents.

AFFORDABLE RENT

 Affordable rented 1 and 2 bedroom homes will have rents set at around 60% of local market rents.

SOCIAL RENT

 Larger rented 3 bedroom family homes will have rents set at social rent levels
 (up to 50% of local market rents). 15. In the most recent Aylesbury redevelopment phase currently under construction (Site 7, ref:12/AP/2332) the same tenure switch was effected by L&Q Housing Association. On 6th November 2012, the planning committee approved this application, which included provision for 49 social rented homes . Again, the definition was switched to the affordable rent definition when the S106 legal agreement was signed 3 months later (19th Feb 2013).

WUIKS The 49 (forty nine) Affordable Housing Units available for "Social Rented rent such that (a) the total cost of rent and service Units" management charges meet targets for affordable rented housing set by the Homes and Communities Agency and successor bodies from time to time in existence 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 Mayors Housing SPG 2005 in relation to social rented units. "Southwark Plan" The Southwark Plan 2007: Aylesbury redevelopment phase 2 (site7:12/AP/2332) - S106 legal agreement

16. Notting Hill's intention is clear from these examples as well as Southwark's complicity in enabling this tenure switch maneuver both for Notting Hill and other developers involved in the Aylesbury scheme. There are ongoing concerns that the tenure delivered will not comply with the requirements of the AAAP and fail to meet basic local housing need.

Squaring the circle

- 17. The AAAP stated clearly that even with the funding for social rented housing available at the time it was approved in 2009, there still remained a considerable funding gap (£82m) that needed to be closed before redevelopment could be delivered. The withdrawal of funding streams for social rented housing since the approval of the AAAP, together with the introduction of affordable rent, has left Southwark with a circle that could only be squared by allowing the development to be approved for planning purposes as social rent, but funded and delivered as affordable rent. Use of the term <u>'target rent'</u> throughout the application has provided a linguistic decoy, which serves only to conceal this tenure switch sleight-of-hand.
- 18. A requirement for replacement social rented housing was specifically set out in the AAAP in order to provide new homes for the estate's existing tenants. Southwark's own rent studies show that the average household income of existing Aylesbury estate tenants is just £9,600 per year and that even if affordable rents were capped at 50% market rent, this would still be beyond the means of existing Aylesbury estate residents.

19. In summary, the affordable housing element of the scheme underlying the Order is not compliant with the requirements of the development plan and should not be confirmed in its current form.

Unsatisfied ballot requirement

- 20. The statutory guidance appended to this submission explains that a successful ballot of residents is "a statutory requirement of the consultation process for stock transfer." (section 294 of Housing & Regeneration Act 2008- para. 5)
- 21. However, the Council claims that the 2001 ballot carried out on the estate "referred to a transfer of ownership of existing properties, not to demolition and regeneration." (Pg. 25 of its Objections Statement) and that the current scheme underlying the Order is a land sale, not a stock transfer of existing properties.
- 22. The statutory guidance tabled in appendix 1 shows that the definition of stock transfer extends to the disposal of an "interest in land as a result of which a secure tenant or an introductory tenant will become the tenant of a private landlord" (page 4, para. 1)
- 23. In addition, the Executive meeting which approved the current scheme[CD8] acknowledges that the "ballot was based on the prospect of stock transfer predicated on a major redevelopment" (para. 6.1).
- 24. Further, Neil Kirby's evidence acknowledges that existing tenants will be transferred to new homes on the Order land. "As part of the overall regeneration of the estate 1411 social rent homes are being built on the footprint of the exisiting estate in order to accommodate the 1695 secure Council tenants." (para. 3.23)
- 25. The argument that the scheme underlying the Order is a stock transfer rather than an open market land sale, is further supported by the fact that Aylesbury tenants transferring to new homes in the redevelopment will retain a *'Preserved Right to Buy' (PRTB)* on the new homes. (See section 10, paragraph 10.2.35 of Business plan in the Appendices of the Development Partnership Agreement). Indeed, the very fact that the sale agreement for the disposal of the Aylesbury estate is entitled 'Partnership Agreement', supports the assertion that this is more than a simple land sale.
- 26. The Council has confirmed that "as the Order land falls within the council's housing portfolio, the disposal can only proceed in accordance with section 32 of the Housing Act 1985, for which purposes the consent of the Secretary of State is required." (para. 68 Cabinet item 14, 17 April 2012)
- 27. Cabinet meeting minutes from 28 Jan 2014 confirm that the Council is planning to dispose of its land interest in the Order land using General consent A3.1.1 of the above section, which requires that "disposals are at market value" and confirms that the Council is indeed disposing of the land at market value. (Para. 166, item 9)
- 28. The objectors' assertion that this is a stock transfer rather than an open market land sale, is supported by the Council's following acknowledgement that "NHHT will now undertake"

demolition of the existing buildings on the First Development Site, on plot 18 and in phase2, as provision is made for within the DPA." (Page 6 of the 17th March 2015 Cabinet meeting minutes) In paragraph 14.1 of his witness statement, Southwark's Neil Kirby further confirms that Notting Hill will be funding the demolition. This is proof that scheme constitutes precisely what residents rejected in the 2001 ballot – i.e. demolition and redevelopment by a housing association.

- 29. This assertion that the scheme is a stock transfer is <u>further supported</u> by appendices 2 and 3 of the DPA (draft land registry leases), in which it is proposed that the land is transferred to Notting Hill under rules 179-180 of the Land Registration Rules 2003 (dispositions in favour of charity) or the Leasehold Reform, Housing and Urban Development Act 1993 (i.e. Stock transfer legislation).
- 30. In summary, the scheme underlying the Order is a stock transfer rather than an open market land sale as the Council claims. It therefore requires a successful ballot before the Order can be confirmed.

Lack of cost/benefit analysis

- 31. It appears that there has been no detailed cost/benefit analysis underpinning the council's decision to proceed with the redevlopment scheme underlying the Order.
- 32. Last autumn, the objectors requested the cost/benefit analysis figures from the Council, only to be told that the Council can no longer find a 'legible' copy of these figures [CD25].
- 33. We request that the Council make a little more effort to locate a copy of these figures, so that the Inquiry can establish that the decision to redevelop the estate is based on robust evidence that has been open to public scrutiny. May we suggest that the Council contacts the third party contractors involved in conducting the analysis to obtain a copy (Alan Conisbee Associates, BPTW & Levitt Bernstein).
- 34. The objectors have also requested details of Notting Hill's funding agreements for the redevelopment and an unredacted copy of the Development Partnership Agreement. The council has witheld these on grounds of 'commercial confidentiality'.
- 35. The objectors request that these documents are summonsed by the Inquiry under section 5(2) of the Acquisition of Land Act 1981 and section 250(2) of the Local Government Act 1972. The disclosure of the terms of the funding agreements is essential for the Inquiry to be able to establish that the scheme is viable and that the funding allocation is linked to social, not affordable rented housing. The DPA provides crucial details of the scheme that would enable the Inquiry to establish whether the scheme is viable and provide evidence supporting the claims of its social, economic and environmental benefits. Without either of these, the Objectors feel that the Inquiry will be unable to sufficiently establish the facts, or provide sufficiently equal access to information necessary for the Objectors to be given a fair hearing.

	WUIKS
"Social Rented Units"	The 49 (forty nine) Affordable Housing Units available for rent such that (a) the total cost of rent and service management charges meet targets for affordable rented housing set by the Homes and Communities Agency and successor bodies from time to time in existence 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 Mayors Housing SPG 2005 in relation to social rented units.
"Southwark Plan"	The Southwark Plan 2007:

<u>S106 Agreement for (L&Q's *Harvard Gardens* development) – Phase 2 Aylesbury (Wolverton)</u> Identical definition wording used in Notting Hill's:

- Bermondsey Spa redevelopment
- Abbey House redevelopment
- Elmington estate redevelopment

Housing"	or Registered Providers for which guideline target
	rents are determined through the national rent regime (meaning the rent regime under which the social rents of tenants of social housing are set by The Regulatory Framework for Social Housing in England from April 2012: Annex A - Rent Standard Guidance March 2012) as changed or updated from time to time and at assured tenancies under the Housing Act 1988 with all the statutory rights as enjoyed by assured tenants under the Housing Act
	1988

<u>Heygate Outline Masterplan S106 Agreement</u> - uses standard definition of social rented housing, which makes a clear reference to the National Rent Regime regulatory framework and Annex A of the Rent Standard Guidance, which contains the formula for calculation of social rents.

This appears to be a standardised S106 definition and identical wording appears to be used in all other developments in Southwark providing truly social rented housing.

NDL/KES/DP3393

23 February 2015

Michael Glasgow Regeneration & Neighbourhoods London Borough of Southwark PO Box 64529 London SE1P 5LX



DP9 Ltd 100 Pall Mall London SW1Y 5NQ

Registered No. 05092507

telephone 020 7004 1700 facsimile 020 7004 1790

www.dp9.co.uk

Dear Michael

TRAFALGAR PLACE, ELEPHANT AND CASTLE, SE1
VARIATION TO THE SECTION 106 ASSOCIATED WITH PLANNING PERMISSION
REF: 12/AP/2797

On behalf of Lend Lease (Elephant and Castle) Ltd

On behalf of our client Lend Lease (Elephant and Castle) Limited ("Lend Lease") we enclose with this letter an application to vary the Section 106 Agreement associated with the Trafalgar Place planning permission ref: 12/AP/2797 (previously referred to as Phase One of the Heygate Regeneration) on the site of the former Heygate Estate, bound by Rodney Road, Victory Place, and Balfour Street.

The application includes the following documents:

- Relevant application forms;
- Statement of Reasons;
- Draft Deed of Variation; and
- Revised Plan 460

Summary of Modifications

Modifications are sought to the following aspects of the Trafalgar Place Section 106 Agreement. Further details can be found in the enclosed Statement of Reasons:

- Definitions
 - o Affordable Rent
 - o Affordable Rent Units
 - o Balfour Street Works Contribution
 - Base Specification
 - Highways Works
 - o Public Realm Plan
 - o Social Rented Units
 - Wheelchair Accessible Dwellings

From: Glynn, Lucy [mailto:LGlynn@nhhg.org.uk]

Sent: Thursday, March 19, 2015 01:07 PM

To: Johnson, Ben

Subject: FW: The exchange - affordable housing

Dear Dr Johnson,

I have been asked to respond to your email by Katie Bond in her absence.

I can confirm that we have the following homes at The Exchange:

Private sale - 59 Shared ownership - 102 Affordable rent - 44 Total - 205

We don't have any social rented properties here, but our policy for Affordable Rent sets the rent at whichever is the lowest of 80% of market rent, LHA caps, and our own caps. In the case of this scheme we are averaging a rent level of 58% of market rent, ranging from 42% for the 3 beds to 63% for the 1 beds.

I'd be very happy to answer any further questions you might have so do let me know if there is any more information on this scheme that you need.

Kind regards,

Lucy Glynn Delivery Manager Notting Hill Housing

t: 020 8357 4459 m: 07825 978 995

Notting Hill Housing | Bruce Kenrick House | 2 Killick Street | London | N1 9FL www.nottinghillhousing.org.uk

HOUSING MIX







Housing Mix

Notting Hill Housing proposing a mixture of 1, 2 and 3-bedroom flats. Our proposed housing mix has been informed by current planning policy, analysis of local need and viability on the mix of homes.

Notting Hill Housing proposes to build 270 residential homes:

- 170 Market Homes (inc 15 wheelchair-accessible homes)
- 56 Intermediate Homes (Shared Ownership, inc 6 wheelchair-accessible homes)
- 35 Affordable Rent Homes (inc 6 wheelchair-adapted homes)
- 9 Social Rent Family Homes (inc 2 wheelchair adapted homes)

Rented Homes

In co-operation with Southwark Council, Notting Hill Housing has proposed a mix of rents that offer the most amount of choice to local residents.

AFFORDABLE RENT

 Affordable rented 1 and 2 bedroom homes will have rents set at around 60% of local market rents.

SOCIAL RENT

 Larger rented 3 bedroom family homes will have rents set at social rent levels (up to 50% of local market rents).

Open Market

- Notting Hill Housing will offer a range of housing options to those who are able to afford properties on the open market.
- Notting Hill Housing often offers purchasers the opportunity to buy their as offering market rental properties for those who prefer to rent, rather than buy their homes.

Shared Ownership

We are proposing to include shared ownership properties where interested buyers would be able to buy a share of a property that is affordable – usually between 25% and 40% – and buyers would then pay Notting Hill Housing a rent at a level below market value on the rest.

Notting Hill Housing helps prospective buyers to work out what share they can afford to buy so that they won't be stretched financially. The aim is for shared ownership property owners to buy further shares of their home as and when they can afford to.

Sustainability

Sustainability is of the upmost importance and will help ensure that the highest environmental and living standards are achieved throughout.

THE AIM

- Simple approach to sustainability
- Compliance with London Plan 2011
- Compliance with Part L 2010 (latest edition)
- Code for Sustainable Homes Level 4

VIABILITY

- Our proposals have been considered with regards to the long-term viability for Notting Hill Housing
- We have calculated the housing mix with viability in mind, ensuring that any development and ongoing management will be funded in the long term
- Notting Hill Housing will have a longterm interest in the development and intends to remain the freeholder



Accomodation Schedule

01/04/2015

Pollard Thomas Edwards

Rev_H

	Block	3BDuplex	3BF	3BWF	2BF*	2BF	2BWF	1BF*	1BF	1BWF	TOTAL	% HAB RM
	Α	0	2	0	0	2	0	0	0	0	4	
	В	1	1	0	0	3	0	0	2	0	7	
	С	1	1	0	0	5	0	0	2	0	9	
	D	1	1	0	0	3	0	0	2	0	7	
	Е	1	1	0	0	3	0	0	4	0	9	
	F	1	0	0	1	3	2	0	6	3	16	
et	J	1	0	1	19	0	0	0	0	0	21	
Market	K	3	0	0	9	5	4	0	4	1	26	
Σ	L	1	0	0	18	0	4	0	6	0	29	
	М	0	1	0	20	0	0	0	4	0	25	
	Listed	0	0	0	0	6	0	0	4	0	10	
	Coroners Ct.	0	0	0	2	1	0	0	0	0	3	
	Total	10	7	1	69	31	10	0	34	4	166	62.57%
	%		11%		66%			23%		100%		
	Total Wheelch								15			9.04%
	Α	0	0	0	1	4	1	0	5	0	11	
	В	0	0	0	4	2	1	0	5	0	12	
	С	0	0	0	3	1	1	0	5	0	10	
	D	0	0	0	3	3	1	0	5	0	12	
ate	E	0	0	0	3	3	1	0	3	0	10	
ğ	F	0	0	0	0	3	1	0	1	0	5	
Ĕ	J K	0	0	0	0	0	0	0	0	0	0	
Intermediate	N I	0	0	0	0	0	0	0	0	0	0	
_	M	0	0	0	0	0	0	0	0	0	0	
	Total	0	0	0	14	16	6	0	24	0	60	18.83%
	%	U	0%	U	<u> </u>	60%	U	U	40%	,	100%	10.00 70
	Total Wheelchair Units		0070			6			10070	10.00%		
Θ	G	0	8	2	25	0	0	0	5	4	44	
t abl	Total	0	8	2	25	0	0	0	5	4	44	18.60%
Affordable Rent	%		23%			57%			20%		100%	
Aff	Total Wheelch								6			13.64%
	TOTAL DWELLINGS					270						

1114

COMMERCIAL AND LISTED BUILDINGS SCHEDULE OF ACCOMODATION

392

COMMERCIAL USES The Pool House Ground floor GIA (sqm) GIA (sqm) GIA (sqm) GIA (sqm)

The Wash Houses

Commercial

The Wash Fleases						
	Basement GIA (sqm)	Ground Floor GIA(sqm)	First Floor GIA(sqm)		Total GIA (sqm)	
Commercial	117	403	55		575	
Plant	302				302	
					877	

Commercial Ara			
	GIA	No.	Total Area
Arches	103.8	9	934
Total			934

Summary Total

Summary					
			Commercial	Commercial	
Туре	No.	HR	Area	HR	
3BD	10	50			
3BW	3	15			
3BF	15	75			
2BF	47	141			
2BF*	108	432			
2BWF	16	48			
1BF	63	126			
1BWF	8	16			
Commercial			2925.2	106.4	
Total	270	903			
Density		594		HR/ha	

 $²BF^* = 2$ bed with living space of +27.5msq.