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Boris Johnson, Mayor of London
Early Minor Alterations to the London
Plan
City Hall
Post Point 18
The Queen's Walk
London
SE1 2AA

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Dear Mr Johnson,

Thank you for the opportunity to comment on the early minor alterations to the London Plan. We provided comments on the initial informal early alterations in December 2011 and note that the Mayor has provided brief responses to these comments. However, we do not feel that the Mayor has taken full account of our comments in his initial response and so we set out more detail below at this formal, public consultation stage and ask the Mayor to look in detail at our response. Our response reasserts the comments in our initial response, as well as providing new comments on the updated alterations.

Overview and introduction section of the early alteration

We note that the overview and introduction section proposes inserting wording to explain that the London Plan reflects the intent of the draft National Planning Policy Framework (NPPF). Overall we support the inclusion of this additional wording, however we raise concern that the early alteration is in conflict with part of the draft NPPF. We set out our further comments on this point later in this letter.

The overview and introduction section sets out that the Mayor will consider publishing supplementary planning guidance regarding the application of the policies of the London Plan in light of the relationship between the London Plan and the NPPF in conjunction with the Government and London stakeholders. We welcome such guidance and would like to be involved in its preparation.

Affordable Housing

Southwark is a borough that has experienced high levels of growth over recent years, and will continue to do so. The council are very proactive in encouraging and enabling sustainable development, specifically encouraging more private and affordable homes through our Core Strategy, area actions plans and supplementary planning documents. We continuously deliver large amounts of housing, having the 5th highest housing target in London. We have the largest number of affordable homes in London and continue to deliver lots of new affordable housing, as evidenced in the London Plan Annual Monitoring Report 7, which shows that over the years 2007/08 to 2009/10, Southwark delivered 1,551 net new

affordable homes, the 6th highest delivery rate in London. We are very proactive in enabling the delivery of affordable housing, using many different methods to bring forward more affordable housing that meets Southwark's housing need. This includes bringing forward our own land for development, working closely with registered providers and developers to deliver new affordable homes, developing our own schemes through the Council Own Build programme and through innovative ways to bring forward affordable homes during the recession such as building reviews into section 106 agreements.

Within this context of our existing high levels of affordable housing and delivery, we have significant concerns with the principle of affordable rent being included as a type of affordable housing as it is unlikely to meet Southwark's housing need. We have previously put in representations to this effect on national government's *Planning Policy Statement 3 (PPS3)* and *Local Decisions: Fairer Future for Social Housing* consultations.

Whilst we appreciate that PPS3 is now adopted national guidance, we remain concerned with how affordable rent will work in Southwark. Our modeling shows that up to 80% of market rent is unlikely to be affordable to the majority of current housing applicants in Southwark, particularly those requiring larger family homes. We have carried out two studies looking at the impact of affordable rent, which can be viewed on our website at:

www.southwark.gov.uk/ahspd

The initial study: Affordable Rent in Southwark looks at the affordability of affordable rent across the nine different postcode areas of Southwark. It models a range of scenarios from 40% to 80% market rents for one, two, three and four bedrooms dwellings. It reinforces our initial modeling, showing that it will be very difficult for people in housing need to afford the affordable rent model, particularly family homes.

The second study: Impact of the Affordable Rent tenure on the viability of developments in Southwark, looks at the viability of affordable rent in Southwark. It builds on the work in the initial study, looking at the viability of a number of options across the nine postcodes. The study recommends maintaining our existing policy of a split between social rent and intermediate, and requiring a financial appraisal to justify a departure from our adopted policy.

Within this context of concern for the affordability of the new affordable rent, we have set out detailed comments on the early alterations to the affordable housing policies.

Evidence base for affordable rent

We note that the Mayor has responded to our comments in our initial response on the informal early alteration in relation to the evidence base for affordable rent. However, we do not feel that the Mayor has adequately addressed our comments and would ask the Mayor to relook at our response and our additional comments below on this important point.

The London Plan and our Southwark specific planning policies need to be based on a robust and credible evidence base in line with PPS12. Our existing policies are supported by the evidence base of the adopted London Plan, as well as our own housing studies, which include a south-east London Strategic Housing Market Assessment (2010), Southwark Housing Requirements Study (2009), and an Affordable Housing Viability Assessment (2010). These studies support our existing policy position of requiring 35% affordable housing and a split of 70% social rented and 30% intermediate housing across the majority of the borough.

At present, we question the evidence base supporting the change in affordable housing policy proposed through the early alteration. The draft alteration seems to rely on existing evidence to justify the need for affordable rented homes. For example, paragraph 3.47 refers to the London Strategic Housing Market Assessment (SHMA) and other evidence showing the need for affordable rented housing. Paragraph 3.47 specifically inserts wording to say that there is a particular need for social and affordable rented family homes (proposed amendment underlined).

We seek clarification on the evidence that shows the need for affordable rented homes, particularly family homes. The London SHMA shows there is a need for more social rented and intermediate homes, but it does not consider affordable rent, as at the time of preparation the product did not exist. Similarly our SHMA and housing requirements study do not identify a need for affordable rent as they were also prepared prior to the introduction of this type of affordable housing. The Mayor's response to our comments on this issue state that the alteration is based on sound evidence because there are now two products that are aimed at meeting the needs of those eligible for social rented housing, as identified by PPS3. As set out above, we have concerns with the affordability of this product and also with the London Plan policy not being based on robust evidence.

The new product, whilst it is *available* to those eligible for social rented housing, will not meet their needs because it will be unaffordable to the majority of people in housing need in Southwark. Table one below shows this in more detail. The Mayor's response to our initial comments does not answer our concerns.

Table One: Weekly average market rent, affordable rent and target rent levels in Southwark by postcode (across all units sizes as at April 2011)

Area of Southwark	Weekly average market rent £	80% market rent £	65% market rent £	Weekly average social rent £ and service charge (2011/12)	Median weekly income £ all tenures	Median weekly income £ -social rent from council	Median weekly income £ -social rent from RSL
Southwark	415	332	270	108	322	174	274
SE1	486	388	316	108			
SE5	342	274	222	108			
SE11	450	360	292	108			
SE15	310	248	201	108			
SE16	426	341	277	108			
SE17	389	311	253	108			
SE21	376	301	244	108			
SE22	331	265	215	108			
SE24	389	312	253	108			

Table one clarifies the significant difference between affordable rent and social rent for Southwark. It sets out by postcode and average market rent, 80% market rent and 65% market rent, and compares this against the average target rent (social rent) currently charged across Southwark. It also shows the median, average weekly income in Southwark from all housing tenures is £322 and the average income for those who live in social rented housing - is £174 or £274 depending on whether they rent from the Council or a social landlord. The table clearly shows that in many areas of Southwark, 80% of market rent is higher than the average income.

At the moment (as of November 2011) there were 19,844 households on Southwark's housing register, and the number of people on our waiting list is continuing to rise. Most of these people are in need of social rented housing. Table one highlights that even at 65% of market rent, the rent is substantially higher than existing social rent. We are very concerned at how those in housing need, including those on our large waiting list will be able to afford the "affordable rent" charges. The Mayor has not acknowledged these concerns or taken steps to explain how affordable rented housing will meet housing need in London. Simply stating that the Government, through changes to PPS3 think that affordable rent will meet the same need as social rented housing is not a robust argument and is not supported by any evidence.

Furthermore the London Plan and borough policies need to be based on robust evidence in order to meet the requirements for soundness under PPS12, and also the requirements within the draft NPPF. In our view the Mayor's reliance on PPS3 as the evidence base for amending the London Plan policy (as referred to in the response to our comment) is not robust. The Mayor needs to carry out a new Strategic Housing Market Assessment to fully assess the implications of affordable rent before introducing it as a new type of tenure.

In addition, we would like to support and reinforce the comments made by Tower Hamlets Council on the informal early alteration consultation, which set out that their research shows that the new product of affordable rent will inflate land values. Similarly our study *Impact of the Affordable Rent tenure on the viability of developments in Southwark*, carried out by BNP Paribas, concludes that "A formal shift in policy position towards adopting Affordable Rent is likely to simply enhance land values. This would prevent schemes that could otherwise have delivered social rented housing from doing so." This reinforces the fact that there appears to be no evidence to support the introduction of affordable rent and that it will meet housing need. We can provide a copy of this study upon request.

In summary, whilst we recognise that PPS3 has been amended, we cannot support the approach in the draft early alterations as it is not based on robust evidence and justification. In our view affordable rent is unaffordable to many of Southwark's households who are in housing need.

Policy 3.9 Mixed and balanced communities

Adopted London Plan policy 3.9, part B sets out that a more balanced mix of tenures should be sought in all parts of London, particularly in some neighbourhoods where social renting predominates and there are concentrations of deprivation. We have a similar policy in our Core Strategy, where we require a minimum of 35% private housing in areas of the borough which are currently predominantly social housing.

We note that the alteration proposes new wording into supporting paragraph 3.58, following an explanation of why the Mayor is concerned that there should be no segregation of London's population by housing tenure. The proposed wording states:

The new affordable rent product should be applied so as to help achieve the objectives of this Plan.

This sentence seems to have been added to the end of the existing paragraph without detailed consideration. We appreciate that the London Plan needs to recognise the introduction of affordable rent, however we question the need for this sentence as the policy makes clear that all types of housing should contribute to creating mixed and balanced communities. We suggest that the new sentence should be removed or reworked to ensure

that it is integrated with the rest of the paragraph. At the moment it is not clear why affordable rent has been singled out.

Policy 3.10 Definition of affordable housing

The alteration introduces affordable rent as a form of affordable housing within policy 3.10. We maintain our comments as set out above on the issues of affordability of affordable rent in Southwark.

Policy 3.11 Affordable housing targets

Adopted London Plan policy 3.11 requires boroughs to set separate targets for social and intermediate housing. The alteration includes affordable rent within the social rented housing target. Our view is that affordable rent meets a similar need to intermediate housing, not social rented housing. Without prejudicing our overall comments on affordable rent and that we do not think the product will meet our housing need, if a target is to be included we feel it should really be within intermediate housing. Our view is that affordable rent meets a more similar need to intermediate housing, not social rented housing. There also remains the need for the London Plan to be based on evidence to justify the need for affordable rent. Accepting the approach in PPS3 without considering London's unique circumstances and relying on robust evidence is unsound and should not be used as the basis for changing the London Plan and subsequent borough policy documents.

The alteration also introduces wording to require affordable housing targets:

...reflecting the overall strategic priority to maximise affordable housing provision and the need to make best use of available resources,...

As we have set out above, our concern remains that the new affordable rent will not meet the needs of those on our waiting list. We think that this paragraph should be amended to include the importance of affordable housing meeting an identified need, based on a robust evidence base.

Paragraph 3.68 includes an additional section (additional to the informal consultation draft) which sets out that boroughs should not set rent targets for affordable rent through their local development frameworks as it may impede the maximisation of affordable housing provision. This approach is also advocated through the Mayor's draft Housing SPG, and we also refer you to our comments on the SPG. We express concern for this blanket approach across the whole of London. Under the localism agenda, boroughs are being encouraged to be individual in their approaches, and we feel that the approach draft alteration is too restrictive. Firstly, as we set out above, there needs to be an evidence base demonstrating the need for affordable rent. Our evidence and modelling shows that affordable rent, particularly for families and at 80% of market rent, will be unaffordable to the majority of our residents in need. Boroughs should be able to adapt the overall London Plan and PPS3 approach to meet their individual needs. We feel this paragraph should be reworded to allow more flexibility and allow boroughs to develop policies that meet the needs of their residents. This should include allowing boroughs to set suitable rent levels if so desired.

The Mayor's response to our comments on the informal early alterations sets out "Not all affordable rent housing will be at rents at 80% of market levels; the Mayor has set a London wide average of 65%." If this is the Mayor's aspiration, then boroughs need have the flexibility and power to vary the rent levels. As the alteration is currently drafted, it removes any flexibility for boroughs to determine what is affordable and appropriate and is setting an arbitrary level across London. There is also no evidence to show why the 65% average has been chosen and it is not referred to anywhere in the alteration. We request that this be

removed from the early alteration and that boroughs be allowed to set their own percentages of market rent where they pursue policies on affordable rent. This would be similar to the approach taken to intermediate housing, where boroughs currently set their own local affordability criteria within the ranges set out in the London Plan.

The draft alteration goes on to refer to the Mayor providing indicative rent guidelines for affordable rented housing in the London Housing Strategy and the Annual Monitoring Report each year. We welcome the recognition that rent levels do need to be monitored. However, we suggest that indicative rent levels are also a key planning issue and that they should not just be published in the Housing Strategy and the AMR. There should be detailed guidance on why the Mayor has decided to publish rent guidelines, how they should be used and why the indicative levels have been chosen. If this sort of guidance is too detailed for the London Plan then we suggest it should be included in the Housing SPG which is currently silent on the issue.

Policy 3.12 Negotiating affordable housing on individual private residential and mixed use schemes

The alteration proposes new wording to policy 3.12 to give priority to the provision of affordable family housing. We support this approach.

The alteration also inserts a new section into policy 3.12 on providing affordable housing on-site, off-site and cash in lieu contributions. It sets out that cash in lieu contribution should be ring fenced to secure additional affordable housing. We ask that the Mayor reconsiders this section of the alteration as in our view it is contrary to the draft National Planning Policy Framework (NPPF). The NPPF (paragraph 111) sets out:

...or a financial contribution of broadly equivalent value can be robustly justified (for example to improve or make more effective use of the existing housing stock) and the agreed approach contributes to the objective of creating mixed and balanced communities.

The Mayor's response to our previous comments on this issue state that "this is an issue on which the Mayor has made representations to Government. In the particular context of London, with its pressing need for affordable housing, the Mayor considers the proposed approach is appropriate."

We fully understand the pressing need for affordable housing in London but think that it would be premature to alter the London Plan before the final wording of the NPPF has been published as at the moment we do not know what the NPPF will say.

We would ask the Mayor to amend this section of the policy to be in accordance with the NPPF, by allowing more flexibility as to where the money can be spent.

Hazardous substances and installations

We support the commitment to providing more guidance on this issue.

Cycle parking standards

As noted in the earlier consultation, we welcome the clarifications within paragraphs 6.35 and 6.36. Deleting the word "larger" from the sentence "Development will need to address the needs of both long..." is helpful clarification. Similarly the new wording to allow the potential for visitor cycle parking in appropriate off-site locations adds important flexibility to the London Plan. We follow this approach in some of our schemes where it is not practical

to provide all the visitor parking on-site.

We do not believe that our previous comments in relation to the substitution of Cycle Hire Docking Stations have been properly considered. In the example cited, and with the agreement of GLA and TfL, a very large requirement for visitor cycle parking was reduced a little, coupled with provision of a docking station. In that particular case, it was our view that the Cycle Hire Scheme was likely to better meet the needs of visitors to the development (though a combination of the particular land uses and the location of the development). Therefore the flexibility we exercised will result in a better solution for the travelling public. We consider the text should be amended to "... should not normally be considered a substitute ...". It should be remembered that provision of a docking station is very expensive and its substitution for normal visitor cycle parking is not a decision that would be taken lightly by a developer.

Policy 6.13Dc says that developments must *meet*, rather than *exceed*, the minimum cycle parking standards, while Table 6.3 makes no reference to minimum, merely being titled "Cycle Parking Standards". Neither of these make it clear that we require "at least" the minimum standard and will always seek a higher provision. It is recommended that the title of Table 6.3 is amended to "Cycle Parking Minimum Standards" and Policy 6.13Dc is amended in some way to clearly signal the desire that developments exceed the minimum.

It is acknowledged that evidence of the required split between cycle parking "for staff and visitors" (which require a very different type of provision) is lacking. This makes this policy very difficult to implement in practice. We consider it necessary to define the allocation to each group, and therefore it is imperative that research is actively pursued leading to a further minor amendment to the London Plan in the near future.

In a response to our earlier comments you indicated that "per employee" standards are difficult to apply. While this comment was made in relation to B1 Office parking, the same comment applies to a number of other standards in Table 6.3 which The London Plan defines in terms of numbers of employees. We request that all standards are expressed in a way that can be easily applied.

Since the evidence base supporting the proposed changes to cycle parking standards has not yet been published, we are unable to comment on the detail of the proposed changes.

In our previous comments we expressed concern over reference to "The London Cycle Design Standards 2005". We explained that a couple of documents are available on the TfL website, both undated, one of which deals only with on-street cycle parking, while the other deals with off-street parking but seems to support the use of stands which variously require the bike to be lifted, provide a poor degree of security, and/or expose the bike to damage. You indicated that you felt that going further than the existing wording on stands was too detailed for the policy, yet happily include detail of the CaMden stand and specify that parking should be on both sides of stands.

In the light of this, and noting the recommendation in paragraph 1.1.6 of the Equalities Impact Assessment, we do not consider the following proposed alternative wording too detailed: "Cycle stands should be accessible to all users, including those who are less physically able and, for residential, community and school installations, to children."

The alteration proposes deletion of paragraph 6A.11 which states that there will be a review of cycle parking standards. In the Mayor's response to our previous comments it was made clear that a) this review was ongoing and b) more research was needed on specific issues.

Therefore we suggest that this paragraph should be amended to read "The Mayor, through TfL, will continue to review...".

We welcome the continued review of these standards as set out in proposed paragraph 6A.12.

From paragraph 6A.3A, we note that the Mayor is carrying out a review of residential car parking with Transport for London, and that there will be further alterations to the London Plan and supplementary planning guidance on this matter. We support the review of parking standards and would like to be involved in considering how the results of the study should be translated into policy. We feel that in addition to PTAL, the study should take into account the level of potentially cycleable trips (as in recent TfL research) and the availability of car club cars. We look forward to being involved in the further work on car parking.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Fiona Colley', written in a cursive style.

COUNCILLOR FIONA COLLEY
CABINET MEMBER for REGENERATION & CORPORATE STRATEGY