

Affordable Housing

Draft Supplementary Planning Guidance

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1.0 Introduction

1.1 Everyone should have a decent home to live in. It needs to be affordable for that person or their household, and meet their individual needs.

Within London there is a serious shortage of homes. This shortage is even more critical for affordable homes. The planning system can and must play its role in helping to address this problem.

1.2 At a local level, Southwark needs over 1,900 new affordable homes every year, for the next 5 years, to meet existing and newly arising need. To put this in perspective, the target for all new homes in the borough is 1,477 per year, and half of these are expected to be affordable. Although it will not be possible to meet identified affordable housing need, this does show that the maximum amount of affordable housing must be secured from the maximum number of sites and sources, to meet local need.

1.3 The Mayor has set a target of 50% of new homes as affordable, a target which is accepted by the council. The Mayor has also set an indicative estimate of 1,477 new homes within Southwark every year. Therefore we must secure at least 739 new affordable homes every year.



2.0 Policy Framework

2.1 All decisions on planning applications should be made in accordance with the development plan unless material considerations indicate otherwise. The current development plan for Southwark is the adopted Unitary Development Plan (1995) and the London Plan (2004).

The Unitary Development Plan 1995

2.2 Policy H.1.4 Affordable housing (as amended, February 1999) of the Unitary Development Plan (UDP) states;

“The council will seek to ensure through negotiation and agreement that proposals for all new housing development of a substantial scale (15 dwellings or more) will contain a proportion of affordable housing. It will seek to negotiate the maximum reasonable proportion of affordable housing having regard to all circumstances and any compelling reasons for not providing affordable housing balanced against the level of housing need in the borough.”

The London Plan 2004

2.3 Within the London Plan, Policy 3A.8 Negotiating affordable housing in individual private residential and mixed use schemes states;

“Boroughs should seek the maximum reasonable amount of affordable housing when negotiating on individual private residential and mixed use schemes, having regard to their affordable housing targets adopted in line with policy 3A.7, the need to encourage rather than restrain residential development and the individual circumstances of the site. Targets should be applied flexibly, taking account of individual site costs, the availability of public subsidy and other scheme requirements.”

Other material considerations are the adopted and emerging national guidance and emerging local policies.

Planning Policy Guidance (PPG) 3 Housing, Draft amendments, and Circular 6/98

2.4 PPG 3 requires local planning authorities to plan to meet the housing needs of all sectors of their communities, including the provision of affordable housing. Both PPG3 and Circular 6/98 advise that the need for affordable housing is a material planning consideration when considering planning applications.

2.5 Circular 6/98 adds that, where a development plan requires an element of affordable housing as part of proposed development, the failure to provide this affordable housing as part of the proposed development could justify the refusal of planning permission. Only in exceptional cases, where there are sound planning reasons and where both the authority and developer agree, should the alternative of a financial contribution or off-site provision be made in order to secure the provision of affordable housing.

2.6 Both documents advise that securing affordable housing on individual sites is a matter for discussion and agreement between parties. However, in all cases the affordable housing secured must contribute to satisfying local housing needs, as demonstrated in a rigorous, up to date assessment. Within Southwark, this is currently the London Borough of Southwark Housing Needs Survey (2004), which is referred to throughout this SPG, and its key findings are summarised in appendix 5.

2.7 PPG 3 is currently being reviewed with proposed amendments relating exclusively to affordable housing. The proposed changes to this guidance have been taken into account in the draft second deposit Southwark Plan. However, they have not been taken into account in this SPG and therefore changes will need to be made to this document to reflect any new guidance.

Draft Second Deposit Southwark Plan

2.8 The 1995 Unitary Development Plan is currently under review, and a draft Southwark Plan was placed on deposit in May 2004. Policy 4.4 Affordable housing states

“The LPA will endeavour to secure 50% of all new dwellings provided in Southwark as affordable in accordance with the London Plan. As part of private development, the LPA will seek to secure the following levels of affordable housing:

- i. Within the Urban and Suburban Density Zones and within the Elephant and Castle Opportunity Area, the LPA will require at least 35% of all new dwellings as affordable housing, for all developments capable of providing 15 or more additional dwelling units, except in accordance with Policy 4.5; and
- ii. Within the Central Activities Zone excluding the Elephant and Castle Action Area, the LPA will require at least 40% of all new dwellings as affordable housing, for all developments capable of providing 15 or more additional dwelling units, except in accordance with Policy 4.5; and
- iii. The LPA will require a proportion of affordable housing as outlined in Table 4.4 as part of developments capable of providing between 10 and 14 additional dwelling units, except in accordance with Policy 4.5.

No. of units	10	11	12	13	14
Habitable rooms	15%	20%	25%	30%	35%

Table 4.4 Affordable housing requirements for 10 to 14 unit developments

The affordable housing provided must be an appropriate mix of dwelling type and size to meet the identified needs of the borough. This will normally be a 70:30 social rented : intermediate housing ratio except where otherwise stated for local policy areas. Further guidance can be found in appendix 15. Developers will also be encouraged to contribute to the provision of affordable housing as part of all new development, and at higher levels than those referred to above. Affordable Housing will be secured, by the use of planning agreements, to ensure it remains permanently available to

meet affordable housing need, or where it no longer meets affordable housing need future receipts are reinvested in new affordable housing, where appropriate.”

2.9 This draft policy is a material consideration when assessing any planning application, and its implementation is detailed throughout this SPG. A full list of relevant policies and guidance can be found at appendix 7.

Definitions of Affordable Housing

2.10 The adopted Unitary Development Plan 1995 defines affordable housing as;

“Housing which is attainable for purchase and/or rental to persons who are unable to rent or buy housing locally on the open market.”

The draft second deposit Southwark Plan defines it as;

“Housing that is accessible to those households who cannot otherwise afford the cheapest habitable dwelling with the same number of habitable rooms, available anywhere within the borough at market prices. This category includes low-cost homes ownership schemes and key worker housing.”

2.11 Affordable housing is defined in relation to the affordability of existing market housing. The second deposit draft definition adopts a boroughwide approach, to ensure that developments are affordable regardless of where they are located because people purchasing a home on the open market do not necessarily need to live in more affluent areas of the borough.

2.12 Most importantly, the revised definition links affordability to the size of the unit. This enables larger homes to be made available to a wider range of households, and ensures that the affordable housing is genuinely offered at a lower cost than market housing. The council does not accept that a unit is ‘affordable’ simply because of its smaller size, and therefore compares like for like when assessing the relationship to market housing. In order to implement this, the housing department of the council will keep up to date details of the affordability of market housing for sale and rent over the full range of sizes and throughout the borough. This information will underpin the affordability criteria for any affordable housing negotiated.

3.0 Maximising Provision to Meet Identified Need

Affordable Housing Need

3.1 The Southwark Housing Needs Survey was issued in March 2004, and is a robust and up to date assessment of the borough's housing needs. Taking into account the predicted supply of affordable units, there is a net shortfall of over 1,900 new affordable dwellings per year over the next five years. This is to address both the existing backlog of need and predicted future need. However, the affordable housing need exceeds the affordable housing capacity and cannot be met within the borough in the immediate future. The figures in the Housing Needs Survey demonstrate that the maximum levels of affordable housing must be secured from the maximum number of sites within the borough.

3.2 The Survey found that minimum prices for purchasing homes in Southwark are around £109,000 for a one bed property or £210,000 for a four bed. These prices are for existing 'second hand' properties, and new build prices are higher. Private rent levels range from £568 per month for one beds to £1,000 per month for four beds. Therefore the household income for purchasing a market one bed property is £31,143 p.a., while the household income required to purchase a market four bed property is £60,000 p.a. The breakdown of affordability for different unit sizes is set out in Appendix 2.

3.3 Average incomes for Southwark residents are around £17,599 net (including non-housing benefits), although there are variations in different areas of the borough. It was estimated that, of those who already need to move to more suitable accommodation, 95% of households could not afford a market solution. It also estimated that 71% of new households

likely to need homes over the next 5 years will not be able to afford a market solution. Finally, it estimated that 65% of people who need to move into the borough over the next 5 years will not be able to afford a market solution. Affordable housing must be made available to meet the needs of these households.

Public Subsidy

3.4 There are two ways of delivering affordable housing; firstly, the council or housing associations can develop land themselves with a very high proportion of affordable housing, usually 100%; secondly, affordable housing can be secured as part of private development through legal agreements and conditions. The council will use both of these means to secure the most affordable housing possible.

3.5 Social housing grant is a public subsidy from the government for creating new affordable housing. It is allocated by the Housing Corporation on a sub regional basis and there is no guarantee of a fixed level of investment for any individual borough. Because there is a limited amount of funding, the council wishes to make best use of it. It has found that approximately 50% more affordable homes can be built by using the public subsidy to fund housing association developments, rather than subsidising private developments. Therefore, wherever possible the council wishes to retain the public subsidy to spend on 100% affordable housing schemes, and it will not usually be available for private development schemes. This will maximise the delivery of affordable housing.



3.6 Because public subsidy will not normally be available for private developments, the council will expect developers to offer the units to registered social landlords (RSLs) at a discount. The price should be in line with the funding that the RSL can raise based on the future revenue from the affordable housing units. Appendix 2 of this SPG gives guidelines about the discounted prices for different types of units.

3.7 Because units are to be offered at a discount, and because public subsidy is unlikely to be available, the amount of affordable housing which can be feasibly delivered through these schemes is less than 50%. The council has undertaken research to work out what level of affordable housing can be delivered without public subsidy. This work involved the valuation of a wide range of developments of different sizes and in different locations. The proportion of affordable housing set out in policy of the draft second deposit Southwark Plan reflects this research. Providing affordable housing at these levels will usually be feasible, and will not slow the delivery of residential development. The key findings of this research are in appendix 6 of this SPG. However, there will still be exceptional circumstances when provision of the required type and level of affordable housing without public subsidy is not economically viable, and this is discussed further below.

Affordable Housing Tenure

3.8 There are two different types of affordable housing; social rented and intermediate housing. The draft second deposit Southwark Plan, appendix 19 glossary defines these as:

“Social rented (Social Housing) Affordable housing which is affordable by all those in housing need. This is typically provided as rented accommodation through the local authority or a Registered Social Landlord.”

“Intermediate housing Affordable housing made available to those households who cannot be accommodated within the capacity of the social housing provision, and cannot access



A tenant on his balcony in Southwark

market housing. This type of accommodation is often made available to key workers and other lower to medium income groups, and is typically provided through low-cost housing schemes such as shared ownership.”

Social housing is the greatest priority as these households are least likely to be able to find an alternative solution, and the social deprivation, exclusion and threat to personal health and safety caused by overcrowding, homelessness or other resulting situations is unacceptable.

Intermediate housing also plays an important role by ensuring that businesses and key public services can function, providing an achievable step onto the housing ladder, reducing the need to commute from outside London, and ensuring London remains economically competitive. It provides an affordable housing option for residents that are currently renting and who would otherwise be forced to move out of the borough. By catering for a number of households currently in the social rented sector it can free up the social housing for which the need is greatest. An element of intermediate housing

contributes to ensuring the population of the borough is not polarised between rich and poor.

3.9 The definitions of these types of housing do not specifically require a particular tenure, in accordance with Circular 6/98 and PPG 3. However, the draft amendments to PPG 3 states that although there should not normally be reference to tenure, this should be used where an identified housing need would not otherwise be met by other types of housing.

3.10 The Housing Needs survey shows that in practice the majority of the borough’s housing need can only be met by the provision of social rented homes and not by intermediate housing. Because of this special and pressing requirement for a social housing, it is crucial to secure appropriate proportions of social rented and intermediate housing as part of development.

3.11 For those whose needs can be met through the provision of intermediate housing, no form of tenure is specified as there are a number of different solutions which would be affordable to those households. However, in all cases the intermediate

housing tenure(s) must provide housing accessible to the range of identified need. For any individual site, the average cost of the intermediate housing should be affordable by the average household income (boroughwide) of those needing intermediate housing. This will also be adjusted to take into account the sizes of each of the units. Worked examples can be found in appendix 3 of this SPG.

3.12 The Mayor sets the overall target of 70% social rented and 30% intermediate housing, and this should generally be applied across Southwark, and when negotiating affordable housing as part of planning applications for individual sites.

However, some areas within Southwark already have a high level of social rented accommodation. Some areas also cannot achieve the same land values as other parts of the borough. Therefore, exceptions have been made for the tenure mix in some areas to redress the mix and balance of local communities and offset the lower property values. The exceptions are set out in Part 1 of the draft second deposit Southwark Plan, and are summarised as follows:

Elephant & Castle Opportunity Area	50% social rented 50% intermediate
Peckham Action Area	30% social rented 70% intermediate
Old Kent Road Action Area	50% social rented 50% intermediate
West Camberwell Action Area	50% social rented 50% intermediate
Camberwell Action Area	50% social rented 50% intermediate

Exceptions may be made in other circumstances, as discussed below.

3.13 Wherever possible, the affordable housing should be secured in perpetuity to ensure that it continues to meet affordable housing need. Appropriate wording for a legal agreement can be found in appendix 1. Particular attention should be paid to ensuring that the staircasing receipts from shared ownership, and right to acquire social rented accommodation is ring-fenced and reinvested in affordable housing provision. Where appropriate, staircasing or rights to acquire may be limited to ensure the housing continues to meet affordable housing need.

Affordable Housing Type

3.14 Affordable housing in developments creating 15 or more new units will be expected to be provided on site and should look the same as the private housing. This helps to create mixed and inclusive communities, and avoids the creation of large areas of housing with the same tenure.

Exceptionally, where the council accepts that this is not possible, the affordable housing should generally be on an alternative site provided and produced by the developer within the immediate vicinity. The council will need to be assured that the alternative site is suitable, has planning permission and is available for development within an appropriate timescale. The affordable homes should be provided at the same time as the facilitating development and prior to its effective completion. The use of a legal agreement is likely to be necessary in order to ensure that the affordable housing is provided.

3.15 There is a chronic shortage of wheelchair accessible affordable housing within Southwark, and London as a whole. Policy **H.1.10** of the adopted Unitary Development Plan and policy 4.3 Mix of dwellings of the draft second deposit Southwark Plan require that at least 10% of all new units should be wheelchair accessible except where this is not possible. Developers are strongly encouraged to provide wheelchair accessible housing as part of their affordable housing provision. Policy **4.5** Wheelchair affordable housing of the draft second deposit Southwark Plan reduces the overall proportion of affordable housing sought where wheelchair units are provided. For every affordable wheelchair unit, one less habitable room can be provided than would otherwise be required. This is intended to encourage developers to provide wheelchair units wherever possible, and offset the slightly higher floorspace requirements of wheelchair units. The requirements for wheelchair units can be found in the Quality of Residential Accommodation SPG.

3.16 The greatest need for affordable housing is for 3 bedroom units, although a significantly smaller need was also identified for four+ bedroom units. Policy H.1.5 of the adopted Unitary Development Plan and Policy 4.3 Mix of Dwellings of the draft second deposit Southwark Plan require that at least 10% of all new units should have three or more bedrooms. These units should always have a private outdoor amenity area, and therefore should be at ground floor level, or first floor level above commercial uses. Wherever possible, these units should be offered as part of the affordable housing provision. In all cases, however, the greatest number of three or four bedroom units would be welcomed by the council, and this will be an important part of negotiations for any individual site.

3.17 Studio units are not appropriate for affordable housing but may be used to accommodate defined user groups such as students, who will only be in this accommodation temporarily and move to different housing as personal circumstances change. There is no identified need for studio units to meet affordable housing need, and as such their provision is most likely to result in overcrowding and substandard accommodation for lower income, vulnerable people, who have limited choices.

3.18 Live/work units are a work space and flat held in common ownership and operated as a single unit. Because these units are partly residential and the residential part is capable of being used separately, they generate a requirement for affordable housing. The appropriate proportion of affordable housing will be calculated on all parts of the unit that are not separately defined for employment use in accordance with policy 1.7 Live/work Units of the draft second deposit Southwark Plan.

3.19 Housing for specific user groups such as nursing homes, student hostels, care homes, supported housing or temporary accommodation is often not self-contained. This type of non self-contained accommodation will normally be affordable in order to meet the needs of the specific user group. However, if it is not, the same proportion of affordable housing will be required as for self-contained accommodation. Because this type of accommodation only meets the needs of a small, specific part of the community, it must be measured separately and its provision cannot be used to offset social rented and intermediate housing requirements.

4.0 Maximum Reasonable Proportion

4.1 As noted above, both the London Plan and the adopted Unitary Development Plan 1995 require the “maximum reasonable proportion” of affordable housing to be provided as part of developments creating new housing.

4.2 The proportion of affordable housing that is considered to be both “maximum” and “reasonable” has been defined in policy 4.4 Affordable housing of the draft second deposit Southwark Plan as follows:

On site provision;

Area A	40%	15 or more units
Area B	35%	15 or more units

Payment in lieu;

Across the borough	35%	14 units
Across the borough	30%	13 units
Across the borough	25%	12 units
Across the borough	20%	11 units
Across the borough	15%	10 units

4.3 Affordable housing will not be required from ten to 14 unit schemes until this has been accepted by the inspector for the Unitary Development Plan inquiry, except in those circumstances discussed in Section five below.

4.4 The proportion of affordable housing will be measured as the gross increase in residential content. This will normally be measured by habitable room to allow the size and mix of units to be adjusted without affecting the overall provision of affordable housing. A habitable room is defined in both the

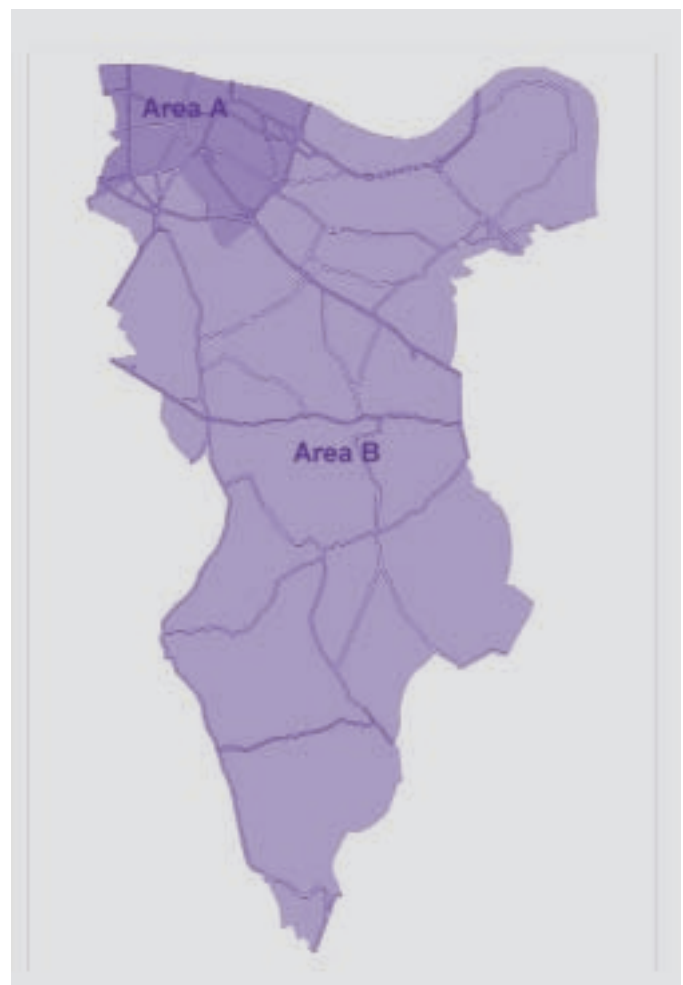


Figure 3.1 Affordable Housing Requirements by Area

adopted and emerging Unitary Development Plans as;

“A room within a dwelling, the main purpose of which is for sleeping, living or dining. Habitable rooms include all separate living rooms, including bedrooms but excluding toilets, bathrooms, landings, halls and lobbies. Kitchens will be counted as habitable rooms where they have an overall floor area greater than 11 sqm.”

Where the private dwellings are significantly larger than the affordable units, the proportion will be measured by gross habitable floor area (GHFA), defined as;

“The sum of the area of all residential floors (both above and below ground) as measured from the inside of all external walls, and includes all areas with a floor to ceiling height of at least 1.5 metres, all internal walls, conservatories and enclosed decks, but does not include external walls, areas with less than 1.5 metres floor to ceiling height such as loft or under stair spaces, chimney breasts or similar recesses in external walls, and open or covered decks.”

This should be used where the proportion of affordable housing measured by GHFA is at least 5% less than that measured by habitable room, as this is a significant reduction in the amount of affordable housing provided.

4.5 While there is provision in the London Plan for site by site consideration through economic appraisals, this should not be the norm as the vast majority of sites should provide affordable housing in accordance with the levels set out above. A

requirement to prepare an economic appraisal for every development site is generally unnecessary, costly and inefficient. Giving clear and reasonable requirements allows all developers to operate on a level playing field when negotiating the value of development sites. The cost of meeting the affordable housing requirement is established from the outset and therefore can be absorbed into the value of the site itself. It also allows developers to deal with the affordable housing quickly, as there is no need to negotiate the level of affordable housing or for the council to assess the financial details of a development scheme. It also avoids the difficulty and uncertainty of the social housing grant bidding process. Finally, it avoids disclosure of potentially commercially sensitive information.

4.6 There will be some circumstances where the requirement for affordable housing as set out above will not be possible on a particular site. This may include areas not defined in paragraph 3.11 above, but which have lower land values. It may also include sites where the existing use achieves higher values and therefore an adjustment in the affordable housing is necessary to ensure the sites are released for housing development. Finally, it may include a development that will provide another exceptional benefit that, in the council's opinion, outweighs the provision of affordable housing on a site and where this benefit could not be provided if the full proportion of affordable housing was sought.

4.7 In those cases where the developer believes it is not feasible to deliver affordable housing in accordance with policy 4.4 of the draft second deposit Southwark Plan, the council will require a full economic appraisal to justify a departure from the policy. In any such negotiations, the council will apply a sequential approach to negotiating an



Young people relax on new decking, part of the landscaping of their estate in Peckham.

acceptable affordable housing provision. Firstly, the ratio of social rented : intermediate housing may be reconsidered. In some circumstances the housing type will also be reconsidered. This will be the first and most common means of addressing individual site constraints.

4.8 Where this does not secure the feasibility of a scheme, the council will consider supporting the use of public subsidy to support the delivery of housing. This may be social housing grant, or the payments in lieu secured through legal agreements for affordable housing on other sites. For all developments seeking public subsidy, a full financial appraisal will be required. This is necessary to justify the diversion of public subsidy to a private development or the release of S106 money. In order to maintain openness and transparency of funding allocation, the economic appraisal will be required to be an open book assessment, and will include standard assumptions about land values and profit margins. If the development attracts public subsidy, the economic appraisal will be made available to the public. However, it should be noted that the council does not accept that a poor financial decision by a developer who pays too much for a site, or the requirement to meet other unexceptional requirements justifies a departure from the affordable housing policies.

4.9 In all negotiations, the council will be mindful of the need to ensure the continuous supply of affordable housing, and housing generally, and take into account the individual circumstances of a development site.

5.0 Threshold for Affordable Housing

5.1 Circular 6/98 provides that, within London, affordable housing should only be sought from developments creating 15 or more new dwelling units. This is the current threshold for affordable housing.

5.2 However, the Circular is to be withdrawn following amendments to PPG 3, and this will provide for lowering of the threshold in certain circumstances. This is supported by the London Plan and the Mayor's draft Affordable Housing SPG. Policy 4.4 of the draft second deposit Southwark Plan provides for an affordable housing contribution from developments creating ten to 14 unit schemes. This is because, by the time the policy is considered at a public inquiry, government guidance will have changed to allow lower thresholds. However, this part of the policy does not accord with the current guidance, and therefore can not be implemented at this time. If the lower threshold is accepted at Public Inquiry, this SPG will be redrafted to reflect the new threshold.

5.3 Currently, affordable housing will only be required from schemes of more than 15 units in certain circumstances. Firstly, where the development is on a site of over 0.5 hectare. In this instance, the affordable housing contribution will be calculated in accordance with Table 4.4 of the draft second deposit Southwark Plan, and will be acceptable as a payment in lieu. Secondly, where dwelling unit sizes are so large that the development has the capacity for over 15 units, an affordable housing contribution will be required in accordance with policy 4.4 (i) or (ii) of the draft second deposit Southwark Plan, to be provided on site and calculated by gross habitable floor area. Thirdly, within mixed use developments, where the proportion of non-residential uses significantly exceeds policy requirements, and greater residential

floorspace would create 15 or more residential units. In these cases the affordable housing provision will be calculated as though the development only includes the non-residential floorspace required by policy, and the remainder is calculated as housing.

5.4 Developers should also be aware that where there is an increase in the number of residential units on the site at a later date, then the affordable housing policy will be applicable if the increase in the number of units takes the total to 15 or more units. Similarly where the council consider that a site has been artificially subdivided in order to avoid the application of the affordable housing policy, the entire site will be used to assess whether affordable housing policies apply. Finally, all developments should seek to make the most efficient use of land and proposals that would underdevelop sites in order to avoid making an affordable housing contribution should be refused permission.

6.0 Delivery

Pre-application Discussion

6.1 Providing an appropriate level of affordable housing as part of a development proposal is a requirement of Circular 6/98, and its absence may justify the refusal of planning permission. Therefore, it is important that the proportion, type and affordability of affordable housing are established before making a planning application.

6.2 The first step in all cases is to ensure that sufficient information is available for proper negotiations to take place. A breakdown of the proposed affordable housing provision must be provided before pre-application discussions, with the proposed contribution set out in terms of;

- i. the amount of social rented and intermediate housing provision, calculated by habitable room and GHFA, and expressed as a percentage of the overall development;
- ii. the number of bedrooms of both social rented and intermediate housing units, and the provision of and size of any private outdoor amenity areas;
- iii. the existence of any wheelchair units which accord with the requirements in the Quality of Residential Design SPG;
- iv. details of the affordability of the units, including the range of income levels each unit will be made available to, and including their tenure or other mechanism for ensuring affordability;
- v. in circumstances where it is considered unfeasible to provide the required affordable housing (including type and tenure mix), a full economic appraisal should also be submitted at this stage, as this will form the basis of negotiations.

6.3 The council encourages developers to meet their affordable housing obligations by forming partnerships with RSLs, particularly those who have an existing development role in the borough. These RSLs have existing local infrastructure, such as housing management, and have established levels of service and unit allocation arrangements with the council. It is appropriate that discussions with



an RSL should start at pre-application stage. A list of RSLs can be found in appendix four of this SPG.

6.4 Council planning officers can offer the following service at pre-application stage;

- i. interpretation and advice of planning policy and guidance, and what this means for an individual site;
- ii. assist in calculating the required amount and mix of affordable housing;
- iii. advise on the standard and quality of the proposed housing, design, layout and other development control matters;

6.5 Council housing officers can offer the following service at pre-application stage;

- i. assist to contact and work in partnership with an RSL;
- ii. advise of the funding of the units from RSLs likely to be available;
- iii. advise on affordability criteria.

6.6 Both planning and housing officers are needed to negotiate exceptions to the requirements, and the particular size and type of units appropriate for an individual site, and consider details of any economic appraisal.

Making a Planning Application

6.7 A planning application should only be made when the proposal includes an appropriate proportion and mix of affordable housing. This should be agreed by council officers at pre-application stage to ensure it meets all policy, guidance and the Housing Needs survey, or is otherwise reasonable and justified having regard to the individual circumstances of the site. Where a planning application is made that does not include an appropriate proportion and mix of affordable housing, the council may refuse permission within the statutory period.

6.8 When a planning application is made, it should include a summary of the agreed affordable housing provision, including all information in paragraph 6.2 i. to v. above. Where the proposed affordable housing does not accord with policy,

including the size and type of units, a statement should accompany the application which details the negotiations with council officers and the justification for the exceptions. It should also give details of any additional funding being made available to subsidise the development. All of this information will be made available to the public in the interests of transparency. Any economic appraisal that has formed part of negotiations should also be submitted, although this may remain confidential at the request of the applicant, in the interests of commercial sensitivity, unless it results in the availability of public subsidy.

6.9 Where agreement has been reached on all affordable housing matters at pre-application stage, and the proposal is acceptable in all other respects, the council may grant permission subject to an appropriate Grampian condition. This condition would stop development from taking place until a legal agreement is entered into between the developer and the council to secure the affordable housing.

In other circumstances, the council may grant planning permission subject to a legal agreement. This means that permission is not granted until a legal agreement securing the affordable housing is entered into by the developer and the council. A model Grampian condition and a model legal agreement can be found in appendix one of this SPG.

After Permission is Granted

6.10 The affordable housing units are usually constructed by the developer as part of the overall development. Once complete, they are normally sold to the RSL at the agreed discounted price. The

affordable housing units will then be allocated in accordance with council's agreement with the RSL, or as otherwise stated in the legal agreement.

6.11 The planning application information, including any legal agreements, will be kept on the case file and can be viewed by the public during normal office hours. Where a payment in lieu is made, details of the amount and how this is spent will also be available to the public. Any economic appraisal submitted will only be made available to the public where it results in the allocation of public subsidy.

7.0 100% Affordable Housing Developments

7.1 Development that provide 100% affordable housing will not normally be subject to the same policy framework as predominantly private development.

7.2 Such developments will not generally be required to make planning contributions other than those which are necessary for the development to be safe and secure (for example, highway works that provide satisfactory access for emergency vehicles). This is because the funding for these developments is only for the provision of affordable housing, and should not be diverted to providing the infrastructure, services or facilities to support incoming residents, as is required from private developments. The investment and funding for the supporting infrastructure will be provided by other sources directly related to that area (for example, funding to mitigate additional pressure on a local park will be provided by the council's leisure department rather than from the Housing Corporation who currently allocates social housing grant).

7.3 These developments will be exempt from the requirement to provide a 70:30 ratio of social housing : intermediate housing, or other local requirement. They will also be exempt from providing a mix of dwelling types as required by policy H.1.5 of the adopted UDP or policies 4.2 and 4.4 of the second deposit draft. This is because such developments may be required to meet specific identified needs and therefore it will not always be appropriate to provide housing across the range of needs as sought from private housing development. However, housing associations should note that they are not exempt from other policy requirements within the plan, including those relating to design, heritage or density.

7.4 Where 100% affordable housing schemes are approved, any permission should include a Grampian condition that requires that the scheme provide an appropriate proportion and mix of affordable housing regardless of who the developer is. In this way, the permission would not be constrained by conditions/legal agreements that make it difficult for housing associations to secure funding. However, it would ensure that, if the scheme is not developed solely for affordable housing, it is subject to the same requirements as any other development in terms of the proportion and mix of housing.

8.0 Council Contacts

For pre-application advice, please submit details in accordance with Section 6 of this SPG and a planning officer will contact you. For general development control enquiries, a duty planning officer is available for advice on 020 7525 5445, or at Chiltern, Portland Street, London SE17 2ES, weekdays between 10am and 4pm.

The housing department can be contacted on 020 7525 1209, or by appointment at 9 Larcom Street, London SE17 1RX.

Enquiries regarding affordable housing policy (non site-specific) should be directed to the planning policy team, 020 7525 5475, or by appointment at Chiltern, Portland Street, London SE17 2ES.



Tenants on a Peckham estate, refurbished under the Bellenden Renewal.

9.0 Appendices

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Appendix 1

Model Legal Agreement and Conditions

1.1 Grampian Condition to Secure Affordable Housing

This condition may be used where the details of the affordable housing provision have been agreed at pre-application stage. This will include details of the number, tenure and size of the affordable housing units, and where an agreement has been reached with an RSL to purchase the affordable housing once it is completed.

The legal agreement referred to will be expected to reflect the pre-application agreement. Developers should be aware that, if there is an unacceptable

deviation from the agreed position after permission is granted, the permission will not be able to be implemented.

“The development hereby permitted shall not commence until a legal agreement is entered into to secure the provision of not less than [INSERT PROPORTION] % of the gross increase in residential provision as affordable housing, of which, no less than [INSERT PROPORTION] % shall be social rented housing, and no less than [INSERT NUMBER] of the units will have at least 4 habitable rooms.”

Reason

In order to ensure that the development delivers an appropriate mix of dwellings in accordance with the council's Unitary Development Plan policy H1.4 (Affordable Housing), the London Plan policy 3A.7 and Government Guidance in Planning Policy Guidance 3 (Housing) and Circular 6/98 (Planning and Affordable Housing)."

1.2 Condition for 100% Affordable Housing Schemes

This condition may be used for developments by housing associations providing 100% affordable housing. It is used to ensure that, if the developments are not carried out as expected, an appropriate proportion and mix of affordable housing is still provided.

"The development hereby approved shall not be implemented otherwise than:

(a) by or on behalf of [INSERT DETAILS] or another registered housing provider for the purposes of providing affordable housing, or
(b) by or on behalf of any mortgagee of [INSERT DETAILS] or any other registered social housing provider which has entered into possession pursuant to the terms of its mortgage or any other successor thereof;

Except where, prior to the occupation of any of the units, a legal agreement is entered into to secure the provision of not less than [INSERT PROPORTION] % of the gross increase in residential provision as affordable housing, of which, no less than [insert proportion] % shall be social rented housing, and no less than [INSERT APPROPRIATE NUMBER BASED ON THE INDIVIDUAL DEVELOPMENT] of the

affordable housing units will have at 4 or more habitable rooms.

Reason

In order to ensure that the development delivers an appropriate mix of dwellings in accordance with the council's Unitary Development Plan Policy H1.4 (Affordable Housing), the London Plan Policy 3A.7 and Government Guidance in Planning Policy Guidance 3 (Housing) and Circular 6/98 (Planning and Affordable Housing), regardless of who implements the permission, and to cancel any dispensations made for Housing Association schemes if circumstances change and an unexceptional level of affordable housing is delivered by the development."

1.3 Model Heads of Terms for Section 106 Agreement

THIS DEED is made the *[insert text]* day of [insert text] Two thousand and *[insert text]* B E T W E E N:

(1) THE LONDON BOROUGH OF SOUTHWARK of the Town Hall Peckham Road London SE5 8UB of the first part (hereinafter referred to as "the Council")

-and-

(2) *[insert text]* of the second part (hereinafter referred to as "the Developer")

-and-

(3) *[insert text]* of the third part (hereinafter referred to as "the Mortgagee")

-and-

(4) *[insert text]* of the fourth part (hereinafter referred to as "the Registered Social Landlord")

WHEREAS:

"Acts"	Section 106 of the Town and Country Planning Act 1990 Section 27 of the Greater London Council (General Powers) Act 1969 Section 16 of the Greater London Council (General Powers) Act 1974 Section 111 of the Local Government Act 1972 and in each case any statutory amendment variation substitution or re-enactment thereof together with all other statutory powers and Acts pursuant to which the parties hereto shall be empowered to enter into this Deed
"Affordable Housing"	Housing which is attainable for purchase and/or rental to persons who are unable to rent or buy housing locally on the open market and in the case of Shared Ownership Units shall refer to accommodation which is attainable for purchase by households whose total annual income does not exceed £25,000 per annum and whose annual expenditure upon rent mortgage and service charges in respect of the Shared Ownership Units does not exceed 33% of the net household income. The income threshold of £25,000 per annum shall rise on each anniversary of the date of this Deed in accordance with annual percentage increase in the Consumer Prices Index issued by the Office of National statistics, during the previous twelve months
"Affordable Housing Land"	that part of the Site on which the Affordable Housing Units are to be built as shown edged in green on the plan annexed hereto
"Affordable Housing Units"	to be constructed upon the and being described in Schedule 3 annexed hereto and which are to be provided on a rental / shared ownership basis under the control of a Registered Social Landlord
"Application"	the Application for planning permission submitted by the Developer to the Council and received by the Council on.... and as amended by revisions/additional plans received on ... for permission to carry out the Development upon the Site
"Council"	the party of the first part hereto which shall include its successors and assigns from time to time
"Developer"	the party of the second part hereto which shall include its successors and assigns from time to time
"Development"	[Description]

“Director of Regeneration”	The Council's Director of Regeneration or any other officer or person exercising the authority of the Director of Regeneration for the time being
“Implementation Date”	the date upon which a material operation as defined in Section 56 of the Town and Country Planning Act 1990 shall be carried out in respect of the Development upon the Site
“Mortgagee”	the party of the third part hereto which shall include its successors and assigns from time to time
“Planning Permission”	a planning permission for the Development in the form of the draft attached hereto as Schedule 1
“Registered Social Landlord”	The party of the fourth part hereto which shall include its successors and assigns from time to time
“Remaining Units”	Means the residential or commercial or live-work units or car parking spaces forming part of the Development other than the Affordable Housing Units
“Shared Ownership Lease”	Means a lease of an Affordable Housing Unit disposed of a type described in (a) of the definition of "disposal on shared ownership terms" in Section 2(6) of the Housing Act 1996 provided that every Shared Ownership Lease shall contain a provision which shall prevent the lessee of such unit from becoming the owner of more than 80% of the value of the unit, so that such lessee shall throughout the duration of the lease retain a leasehold interest of at least 20% of the value of the unit
“Shared Ownership Units”	the Affordable Housing Units identified in Schedule 3 for disposal subject to Shared Ownership Leases
“Site and Development Facilities”	the facilities set out in Schedule 2 hereto
“Site and Development Payment”	the sum of £[insert number] ([insert text] pounds)
“Site”	the land [insert text] as the same is for the purpose of identification only shown edged red on the plan annexed hereto

- (2) The Developer wishes to construct the Development pursuant to the Planning Permission upon the Site
- (3) The Developer is the freehold owner of the Site as the same is registered with Title Absolute under Title Number [insert text] at H.M. Land Registry
- (4) The obligations contained in this agreement are planning obligations for the purposes of section 106 of the Town and Country Planning Act 1990
- (5) The Council is the local planning authority by whom the obligations contained in this Agreement are enforceable
- (6) Having regard to the provisions of the development plan and the planning considerations affecting the Site the Council considers that the Development ought only to be permitted subject to the terms hereof

NOW THIS DEED WITNESSETH:

1 This Deed is made pursuant to the Acts and both the positive and restrictive covenants and undertakings herein on the part of the Developer are entered into with the intent that, subject to the provisions of Clause 13, the same shall be enforceable without limit of time not only against the Developer but also, subject to the provisions of Clause 14, against its successors in title and assigns and any person corporate or otherwise claiming through or under the Developer an interest or estate created hereafter in the Site or any part or parts thereof as if that person had also been an original covenanting party in respect of such of the covenants and undertakings which relate to the interest or estate for the time being held by that person

Site and Development Payment

2 The Developer HEREBY COVENANTS with the Council that it will pay to the Council the Site and

Development Payment by way of Telegraphic transfer into National Westminster Bank plc Account Number 27540006 Sort Code 51-50-03 at London Bridge Branch PO Box 35, 10 Southwark Street, London SE1 1TT of which:

- (i) the sum of £[insert number] shall be paid within twelve calendar months of the Implementation Date;
- (ii) the sum of £[insert number] shall be paid within twelve calendar months of the Implementation Date;
- the sum of £[insert number] shall be paid on or prior to completion of the Development and, for the avoidance of doubt, the Development shall be deemed to be completed when a certificate of practical completion has been issued by the Developer's architect

3 The Council shall, pursuant to Part IV of the Local Government and Housing Act 1989, be at liberty to charge the Site and Development Payment to a Council revenue account and, for the avoidance of doubt, it is HEREBY AGREED AND DECLARED that this shall be without prejudice to the Council's right to apply the Site and Development Payment to revenue purposes or to capital purposes or partly to the one and partly to the other to the extent permitted by the provisions of Schedule 2 hereto

4 The Council HEREBY COVENANTS that it will expend or apply the Site and Development Payment or any part or parts thereof upon the Site and Development Facilities and its professional costs associated with the Site and Development Facilities

5 The Developer HEREBY UNDERTAKES to immediately notify the Council:

- (i) of the occurrence of the Implementation Date by written notice addressed to the Director of Regeneration; and
- (ii) of its intention to make the payments referred to in clauses 2(i), (ii) and (iii) above specifying the

intended date of payment, the amount and method of payment and the agreement and property to which the payment relates. Such notification to be given within the 5 working days immediately preceding the making of such payment

Affordable Housing

6 Subject to the occurrence of the Implementation Date the Developer HEREBY COVENANTS to construct / procure the construction of the Affordable Housing Units upon the Site at its own cost.

7 Subject to the occurrence of the Implementation Date the Developer HEREBY COVENANTS that not more than 25% of the Remaining Units to be constructed as part of the Development shall be occupied unless and until:

- (i) the obligations described by Clauses 2(i) (ii) and (iii) have been complied with; and
- (ii) the Affordable Housing Units have been constructed on the Site and made ready for occupation to the reasonable satisfaction of the Director of Regeneration; and
- (iii) the Developer and the Registered Social Landlord have entered into a binding agreement to grant a long lease for a term of at least one hundred and twenty five years or to transfer the freehold interest in the Affordable Housing Units to the Registered Social Landlord and evidence of such agreement has been provided to the Council; and
- (iv) The total consideration for the grant of the lease and/or transfer of the freehold of the Site and for the construction of the Affordable Housing Units in aggregate shall be limited to [[insert number] %] above the total cost indicators which would be applicable to the Affordable Housing Units if they were constructed with grant provided by the Housing Corporation

8 The Registered Social Landlord shall not apply for nor obtain any of the following in order to finance the purchase of the Affordable Housing Land or the Affordable Housing Units Housing Corporation social housing grant pursuant to section 18 of the Housing Act 1996 any grant, loan or other financial assistance from any local authority pursuant to section 22 of the Housing Act 1996 or any other statutory provision any other grant loan or similar scheme within the meaning Chapter III of Part I of the Housing Act 1996. Any amendments re-enactments or successor provisions pertaining to (a) (b) and (c) above. Provided that nothing in Clause [insert number]([insert number]) above will prohibit the payment by the Registered Social Landlord to the Developer of any amounts from the Registered Social Landlord's own resources or which it may raise by means of private financing

9 Subject to the provisions of Clause 14 the Developer HEREBY COVENANTS that the Affordable Housing Units shall not be used for purposes other than providing housing accommodation to households in need of Affordable Housing in the Southwark UDP area

Registration at HM Land Registry

11(i) Immediately after execution of this Deed the Developer shall make application to the H.M. Land Registry for entries relating to this Deed to be made in the Charges Register of the Title Numbers referred to in recital (3) hereof so as to bind the Site as provided for in the before-mentioned statutory provisions; and

(ii) If the Developer fails to make application as aforesaid the Council shall (without prejudice to any other right) be entitled to register the Deed as aforesaid and thereafter recover the expenses incurred in doing so from the Developer and the

Developer HEREBY COVENANTS with the Council to do or concur in doing all things necessary or advantageous to enable the said entries to be made

Site shall not be Encumbered

12 The Developer HEREBY COVENANTS with the Council that it will not encumber nor deal with the Site in any manner whereby the Developer or any other party hereto may be prevented from carrying out their covenants and obligations hereinbefore contained

IT IS HEREBY AGREED AND DECLARED that: Payment of Council's Legal Fees

13 The Developer shall on the date hereof pay to the Council, by way of a cheque made payable to "London Borough of Southwark", the Council's reasonable costs in the negotiation, preparation, implementation and monitoring of this Deed

Liability of Parties

14 The Developer shall not be liable for any breaches of the obligations contained in this Deed after the Developer has parted with its interest in the Site or any relevant part thereof but without prejudice to the liability of the Developer for any subsisting breach occurring prior to it parting with such interest

15 The obligations contained in this Agreement shall not be binding upon nor enforceable against: any mortgagee of a Registered Social Landlord or any receiver appointed by such mortgagee or any person deriving title through any such mortgagee or receiver any person to whom such Registered Social Landlord grants a Shared Ownership Lease or transfer or any successor in title to any such person a tenant exercising any right to acquire under a

purchase grant scheme or right to buy or similar right conferred by statute or any successor in title to any such person any mortgagee of a tenant or person to whom a Registered Social Landlord grants a Shared Ownership Lease or transfer or any receiver appointed by such mortgagee or any person deriving title through any such mortgagee or receiver any statutory undertaker or other person who acquires any part of the Site or interest therein for the purposes of the supply of electricity gas water drainage telecommunication services or public transport services

16 Obligations of Registered Social Landlord
The Registered Social Landlord shall maintain its registration with the Housing Corporation pursuant to the Housing Act 1996 and shall do nothing which might render it ineligible for such registration or which could give the Housing Corporation grounds for removing it from the register

Third Parties

17 A person who is not named in this Deed does not have any right to enforce any term of this Deed under the Contract (Rights of Third Parties) Act 1999

Registration of Deed as Local Land Charge

18 The covenants on behalf of the parties hereto to be observed and performed under this Deed shall be treated as Local Land Charges and registered at the Local Land Charges Registry for the purposes of the Local Land Charges Act 1975; and

19 Nothing in this Deed shall prejudice or affect the rights, powers, duties and obligations of the Council in the exercise by it of its statutory functions and the rights, powers, duties and obligations of the Council under private or public statutes, bye-laws, orders and regulations may be as

fully and effectively exercised as if it were not a party to this Deed

Enforcement of Obligations

20 Without prejudice to any other right, remedy or power herein contained or otherwise available to the Council, if any payment of any sum referred to herein shall have become due but shall remain unpaid for a period exceeding seven days the Developer shall pay on demand to the Council interest thereon at the interest rate of Three per centum per annum above the base lending rate of the National Westminster Bank plc from the date when the same became due until payment thereof

21i) The Developer shall permit the Council and its authorised employees and agents, upon reasonable notice, to enter the Site at all reasonable times for the purpose of verifying whether or not any obligation arising hereunder has been performed or observed

(ii) Without prejudice to the terms of any other provision herein, the Developer shall pay all costs, charges and expenses (including without prejudice to the generality thereof legal costs and Surveyor's fees) incurred by the Council for the purpose of, or incidental to, the enforcement of any right or power of the Council or of any obligation of the Developer arising hereunder

21 No waiver (whether express or implied) by the Council of any breach or default by the Developer in performing or observing any of the covenants, undertakings, obligations or restrictions contained in this Deed shall constitute a continuing waiver and no such waiver shall prevent the Council from enforcing any of the said covenants, undertakings, obligations or restrictions or from acting upon any subsequent breach or default in respect thereof by the Developer

Interpretation of This Deed

22 The construction, validity and performance of this Deed shall be governed by English Law

23 Each Clause, Sub-clause, Schedule or paragraph shall be separate, distinct and severable from each other to the extent only that if any Clause, sub-clause, Schedule or paragraph becomes or is invalid because of a change of circumstances or any other unforeseen reasons or if any one or more of such Clause, Sub-clause, Schedule or paragraph shall be held by the Courts to be void for any reason whatsoever but would be valid if severed or any wording was deleted or any time period reduced or scope of activities or area covered diminished then any modifications necessary to ensure such Clause, Sub-clause, Schedule or paragraph be valid shall apply without prejudice to any other Clause, Sub-clause, Schedule or paragraph contained herein

VAT

24 The Developer acknowledges and agrees that the Site and Development Payment is exclusive of Value Added Tax and that should H.M. Customs and Excise determine that Value Added Tax is required to be paid thereupon the Developer shall pay the amount of Value Added Tax so required to the Council upon demand

IN WITNESS WHEREOF the parties hereto have executed this deed
the day and year first before written

SCHEDULE 1 ("Planning Permission")

SCHEDULE 2 ("Site and Development Facilities")

The sum of £[*insert number*] to be apportioned in the following manner:

The sum of £[*insert number*] to be put towards the provision of a ...along...; and

The sum of £[*insert number*] to be put towards new lighting for the above cycle routes; and

The sum of £[*insert number*] to be put towards [*insert text*]

In the event that it becomes impossible or undesirable to apply the sums listed in this Schedule for the purposes or facilities described herein the Council may expend the sum or sums on infrastructure and environmental improvement projects in the vicinity of the Site PROVIDED THAT the Council has first used reasonable endeavours to apply the sum or sums in accordance with paragraphs 1, 2 and 3 of the Schedule

SCHEDULE 3 (Affordable Housing Units)

A total of [insert text] (*insert number*) flats comprised of:

[*Schedule of units provided by Developer to be added*]

and constructed in accordance with the Housing Corporation's Scheme Development Standards extant on the Implementation Date

The COMMON SEAL of THE LONDON BOROUGH OF SOUTHWARK
was hereto affixed in the presence of: (Authorised Signatory)

The COMMON SEAL of... LIMITED was hereto
affixed in the presence of:

Director

Secretary

Dated

London Borough of Southwark

- and -

[*insert text*] Limited

Agreement pursuant to section 106 of The Town and Country Planning Act 1990 and other powers in relation to:

Land known as, London SE1 [*insert name*]

Head of Legal (Contract) Services, South House, 30-32 Peckham Road, London SE5 8PX
LEG/PLA/S106/[*insert number*]

Appendix 2

Affordable Housing Financing

3.1 This appendix includes how much developers can expect to be paid by a registered social landlord for different types of affordable housing, in-lieu payments for affordable housing and the availability of different sizes of dwellings in the private market. The information relates to the following paragraphs in the Affordable Housing SPG: **3.6, 3.7** and **6.10** for affordable housing provision; **4.2, 4.8, 5.3, 6.11** for in-lieu payments; **2.10, 1.12, 3.2** for the affordability of different sized units.

3.2 On-site and Off-site Affordable Housing Provision

This table is used by the council to calculate the potential financial implications of its policies for developers. The final column indicates how much an RSL would be able to offer developers for the affordable housing units. It represents the mortgage debt that can be met by the rental income of the units. The table will be updated regularly to reflect changing Housing Corporation data.

Table A2.1: On-site or off-site affordable housing financing

Dwelling size	Indicative maximum rent ¹ (£ per week)	On-costs ² (£ per week)	Net rent (£ per week)	Sum payable by RSL to a developer for the provision of an appropriately sized dwelling (£)
45 – 50	63.84	12.90	50.94	40,753
50 – 55	67.08	13.21	53.87	43,096
55 – 60	71.41	13.64	57.77	46,220
60 – 65	74.66	13.96	60.70	48,563
65 – 70	77.90	14.27	63.63	50,906
70 – 75	82.23	14.69	67.54	54,030
75 – 80	85.48	15.01	70.47	56,373
80 – 85	88.72	15.33	73.39	58,716
85 – 90	93.05	15.75	77.30	61,840
90 – 95	96.30	16.07	80.23	64,183
95 – 100	99.54	16.38	83.16	66,526
100 – 105	102.79	16.70	86.09	68,869
105 – 110	107.12	17.13	89.99	71,993
110 – 115	110.36	17.44	92.92	74,336
115 – 120	113.61	17.76	95.85	76,679

¹ Indicative maximum rents are based on 2003 – 04 rent cap levels plus 0.50% and 2.50% increase in the Retail Price Index. These affordable levels of rent are those at which registered social landlords are expected to charge rents on schemes involving section 106 agreements.

² On - costs (the difference between indicative maximum rents and net rent) consist of a) Management & Maintenance of £346 per unit per annum; b) Voids and bad debts at 3%; c) Service charge at 7%

3.3 In-lieu Payments

In lieu payments are assessed differently for ten-14 unit schemes and larger schemes, and are calculated by the number of habitable rooms that would be required if the affordable housing was provided on site. The higher payment for larger schemes is to reflect the failure to provide a balance of housing types on the site, and the additional cost of obtaining suitable sites elsewhere to make up for such a significant shortfall. Examples of payment calculations can be found in appendix three.

Table A2.2: In-lieu payments for affordable housing

	10 – 14 unit scheme	15 or more unit scheme
In-Lieu Payment per habitable room ³	£35,384	£45,735

³ The payment per habitable room is based on the Total Cost Indicator (TCI), which is the yardstick the Housing Corporation uses to measure value for money. Although the TCI is measured by dwelling size, the average TCI for 1, 2 and 3 bedroom units has been used to give a single payment per habitable room. Ten to fourteen unit schemes are based on 62.5% of the TCI. Schemes of 15 or more units are based on 78.0% of the TCI.

3.4 Affordability of Market Housing by Dwelling Size

This table should be used to set affordability criteria for affordable housing units secured as part of private development.

Table A2.3: Affordability by dwelling size

	0 bed	1 bed	2 bed	3 bed	4 bed
Lowest cost of private housing	£90,000	£109,000	£141,000	£161,000	£210,000
Lowest private rental (£ per month)	479	568	748	875	1,000
Annual household income required to purchase private housing	£25,714	£31,143	£40,286	£46,000	£60,000
Annual household income range for social rented housing (£)	Up to 15,000	Up to 15,000	Up to 15,000	Up to 15,000	Up to 15,000
Annual household income range mid-point for intermediate housing	£20,357	£23,071	£27,643	£30,500	£37,500
Weekly household income range mid-point for intermediate housing	£391.48	£443.67	£531.60	£586.54	£721.15
Maximum annual service and maintenance charges	£6,785.60	£7,690.26	£9,214.24	£10,166.57	£12,499.88

Appendix 3

Worked Examples of Calculations

This appendix provides examples of affordable housing calculations for a number of different circumstances. It illustrates how the guidance in the SPG will be put into place in different circumstances.

1 Residential Development

This example looks at a larger, wholly residential development to show the impact of different calculations. It has 100 flats overall, and the mix is in accordance with Policy H.1.5 of the adopted UDP and Policy 4.3 of the Southwark Plan.

100 units	5 x 0 bed	44 x 1 bed	41 x 2 bed	10 x 3 bed
Proportion by size	5%	44%	41%	10%
261 Habitable Rooms (hr)	5 (5 x 1hr)	88 (44 x 2hr)	123 (41 x 3hr)	45 (5 x 4hr + 5 x 5hr)

If this development was in the **Central Activities Zone (excluding Elephant and Castle)**, the required affordable housing would be;

$$261 \text{ habitable rooms} \times 0.4 \text{ (or 40\%)} = 105 \text{ habitable rooms}$$

The council would seek;

All of the 3 bed units	= 45 habitable rooms
A mix of 1 bed and 2 bed	= 60 habitable rooms
No studio flats	= 0

If this development was outside the **Central Activities Zone or within the Elephant and Castle Opportunity Area**, the required affordable housing would be;

$$261 \text{ habitable rooms} \times 0.35 \text{ (or 35\%)} = 92 \text{ habitable rooms}$$

The council would seek;

All of the 3 bed units	= 45 habitable rooms
A mix of 1 bed and 2 bed	= 47 habitable rooms
No studio flats	= 0

Negotiating a different mix

It may be possible to provide gardens for the smaller units. In this case, the overall mix of units could be changed to provide more family housing, and better reflect housing need;

261 habitable rooms x 0.35 (or 35%) = 92 habitable rooms

Converting some of the 1 bed units into larger flats, the council would seek;

6 x 1 bed with gardens converted to 2 x 4 bed with gardens = 12 habitable rooms

All of the 3 bed units = 45 habitable rooms

A mix of 1 bed and 2 bed without gardens = 35 habitable rooms

No studio flats = 0

In this example, although the overall number of flats would be less, the overall number of habitable rooms is the same, and the higher number of family homes is welcomed.

Wheelchair Housing

It may be found that 5 of the units can be built to wheelchair specifications. This reduces the overall number of habitable rooms required by 5, in accordance with Policy 4.5 of the draft second deposit Southwark Plan.

261 habitable rooms x 0.35 (or 35%) = 92 - 5 (number of wheelchair accessible units)
= 87 habitable rooms are required as affordable

The council would seek;

All of the 3 bed units = 45 habitable rooms

A mix of 1 bed and 2 bed = 42 habitable rooms

No studio flats = 0

In this example, the provision of 5 affordable housing units built to wheelchair standards gives the developer an extra 2 flats for private sale.

2. Mixed Use Development

These examples look at mixed use developments. The three examples are for the same size of development, but with three different proportions of business, live/work and residential. It assumes that the development is outside the Central Activities Zone and the Preferred Industrial Location. It is currently in employment use, and lies on an 'A' classified road. In policy terms, this would be required to retain 30% of the overall floorspace as employment use, and must provide 35% affordable housing.

Mix 1: 30% employment use, live/work units, residential

20 Residential Units	1 x 0 bed	9 x 1 bed	8 x 2 bed	2 x 3 bed
3 Live/work Units	-	1 x 1 bed	2 x 2 bed	-
B1 Floorspace	30%	550 sqm (including the work part of the live/work units)		

59 Habitable Rooms

Residential : Live/work	1:0 (studio)	18:2 (1 bed)	24:6 (2 bed)	8:0 (3 bed)
59 habitable rooms x 0.35 (or 35%)	= 21 habitable rooms are required as affordable			

The council would seek;

All of the 3 bed units	= 8 habitable rooms
A mix of 1 bed and 2 bed	= 13 habitable rooms
No Live/work units	= 0
No studio flats	= 0

Mix 2: 30% employment use, residential

23 Residential Units	1 x 0 bed	10 x 1 bed	10 x 2 bed	2 x 3 bed
0 Live/work Units	0			
B1 Floorspace	30%	550 sqm		

59 Habitable Rooms	1 (studio)	20 (1 bed)	30 (2 bed)	8 (3 bed)
59 habitable rooms x 0.35 (or 35%)	= 21 habitable rooms are required as affordable			

The council would seek;

All of the 3 bed units	= 8 habitable rooms
A mix of 1 bed and 2 bed	= 13 habitable rooms
No Live/work units	= 0
No studio flats	

Mix 3: Exceeds policy requirement for employment floorspace, only 14 residential units

14 Residential Units	0 x 0 bed	7 x 1 bed	5 x 2 bed	2 x 3 bed
0 Live/work Units	0			
B1 Floorspace	57%	1000 sqm		

37 Habitable Rooms	0 (studio)	14 (1bed)	15 (2 bed)	8 (3 bed)
37 habitable rooms x 0.35 (or 35%)	=13 habitable rooms are required as affordable			

However, 27% of the business floorspace will also be used in the calculation, as this is not required by policy. It is divided by 27.5 (see Appendix 3, paragraph 3.6 (ii) of the draft second deposit Southwark Plan). This gives the number of habitable rooms that would have been created if only 30% of the development was employment use, and the remainder was housing.

Total Business Floorspace	1000 sqm		
Multiply by the extra business floorspace (57% - 30%) x 0.27 (or 27%)	= 270 sqm extra B1		
How many habitable rooms would this be?	= 270 sqm ÷ 27.5	= 10 habitable rooms	
So what proportion of affordable housing?	= 10 x 0.35 (or 35%)	= 5 habitable rooms	

Residential Requirement (13 hr) + Employment Use Requirement (5 hr) = 18 habitable rooms

In this case, even though only 14 flats are proposed, the development has the capacity for a lot more if it was developed with the mix of uses required by policy. Therefore, 13 habitable rooms are required from the residential developments as affordable housing. But a further 5 habitable rooms are required from the additional B1 floorspace which is not required by policy. A total of 18 habitable rooms of are required as on-site affordable housing from this development.

The council would seek;

All of the 3 bed units	=	8 habitable rooms
A mix of 1 bed and 2 bed	=	10 habitable rooms

3 In-lieu Payments

These calculations show how to use Table A2.3.3 in Appendix 2 above.

Table A3.1: In-lieu payments for affordable housing with examples

	10 – 14 unit scheme	15 or more unit scheme
In-lieu payment per habitable room	£35,384	£45,735
Calculated by	1 decimal point	Rounded up to nearest whole number
Example	Habitable Rooms (11 units) 29	Habitable Rooms 72
	AH Requirement 20%	AH Requirement 35%
	Habitable Rooms Required 5.8	Habitable Rooms Required 25.2
	Payment in-lieu £35,384 x 5.8	Payment in-lieu £45,735 x 26
	£205,227	£1,152, 522

Appendix 4

Schedule of Registered Social Landlords

Registered social landlords with a significant development role in Southwark

Family RSL

Prince Consort House
27-29 Albert Embankment
London
SE1 7TJ

Tel: 020 7840 0000

Guinness Trust

South Region
5 The Office Village
4 Romford Road
London
E15

Tel: 020 8519 2599

Hexagon RSL

139-151 Sydenham Road
London
SE26 5HJ

Tel: 020 8778 6699

Hyde RSL

181 Lewisham High Street
London
SE13 6AA

Tel: 020 8297 7500

London & Quadrant Housing Trust

Gabriel House
10-26 Wolfington Road
London
SE27 OJF

Tel: 020 8225 3500

Metropolitan Housing Trust

Cambridge House
109 Mayes Road
London
N22 6UR

Tel: 020 881 1351

Presentation RSL

Biko House
16 Bromell's Road
London
SW4 OBL

Tel: 020 7498 6544

South London Family RSL

Rochester House
2-10 Belvedere Road
London SE19 2HL

Tel: 020 8768 0890

Ujima

388 High Road
Wembley
Middx
HA9 6AR

Tel: 020 8733 0733

Wandle RSL

232 Mitcham Road
London
SW17 9NN

Tel: 020 8682 1177

Registered social landlords with smaller stock holdings in Southwark and/or providing specialist housing

ARHAG

1st Floor, Unit 1
36-40 York Way
London
N1 9AB
Tel: 020 7482 3829

Housing for Women 6th Floor

Blue Star House
234-244 Stockwell Road
London
SW9 9SP
Tel: 020 7501 6120

Central & Cecil Housing Trust Bedford House

125-133 Camden High Street,
London
NW1 7JR
Tel: 020 7692 2929

Lambeth & Southwark Housing Society

7A St Agnes Place
London
SE11 4AV
Tel: 0207735 3935

Samuel Lewis Knights Court

6-8 St John's Square
London
EC1M 4DE
Tel: 020 7521 6091

Habinteg

145a Merton Road
London
SW19 1ED
Tel: 020 8545 0510

Octavia Hill Housing Trust

Soane House
303-315 Latimer Road
London
W10
Tel: 020 7460 4222

Southwark & London Diocesan H.A.

Trinity House
4 Chapel Court
Borough High Street
London
SE1 1HW
Tel: 020 7403 4847

Appendix 5

Key Findings of Housing Needs Survey (March 2004)

1.1 In 2002 Southwark Housing commissioned an all-tenure Housing Needs Survey [combined also with a private sector house condition survey]. The survey fieldwork was conducted between September 2002 and March 2003. Households were interviewed and asked a series of questions about their housing needs, incomes and other personal circumstances. A survey of the market prices of housing was also included. The borough was divided into six sub-areas for the purposes of reporting. A wide variety of issues from housing affordability to special needs and overcrowding & under-occupation, were covered by the report.

Student households were included in the survey, and their housing needs analysed, but they were not included in predictions of the need for affordable housing.

1.2 All survey results are estimates, based upon responses to the questionnaire, weighted and grossed up as a percentage of the population. Therefore all figures should be seen as a guide. The survey is statistically robust, but as with any sample survey, reliability diminishes when looking at small groups of households, so that information about those small groups should be seen as a broad indication only.

1.3 Supply and demand for affordable housing estimates are based on the following assumptions about house prices and income levels:

1.3.1 Prices: Minimum prices for purchasing homes in Southwark are outlined in Table A2.3:

Affordability by dwelling size above. These are all taken from the Housing Needs Survey, with the exception of rental for studio flats.

1.3.2 Incomes: Average incomes for Southwark residents are around £19,837 gross excluding all benefits, or £17,599 net, including non-housing benefits. There are variations in different areas of the borough. Incomes of some groups are much lower than this average, and represent a considerable degree of poverty and deprivation in Southwark. Over 30% of Southwark residents have no income except for benefits, so social housing is the only affordable possibility.

1.3.3 Savings: Average amount of savings of Southwark households is around £2,158. Some 64% of households have less than £1000 in savings. There is a variation in tenure, however, with council tenants having average savings of only £621 compared with £5,822 for owner occupiers without a mortgage. This adds to difficulties of social tenants who wish to buy their own homes as, even with a 100% mortgage, savings are needed to pay for the initial expenses associated with purchase.

Affordable Housing Shortfall

2.1 Taking into account the predicted supply of affordable units, there is a net affordable shortfall of 1,937 new affordable dwellings per annum for the next five years. This is to cater for both the existing backlog of need and predicted future household growth.

Bed-size and Type of Property Needed

3.1 The report uses two methods of calculating bed need for new homes.

Balancing Housing Markets methodology based on a predicted household growth of 917 per annum in the borough, suggests that of these, 720 new affordable rented dwellings per annum are required annually to cope with the needs of newly arising households. [This is in addition to the already existing unmet need]. The greatest shortage of affordable homes is of 3 bed properties.

3.2 A particular need is identified within the black African community for larger size social housing. This is a growing population in Southwark, which, according to the Census, has one of the largest African communities in the country. However, this may need to be balanced by an assumption that, over time some households may change to living in smaller households like the wider population. The BME survey of concealed households found that the younger, concealed household members had different views from the main households and were more likely to want their own homes than extended family units.

3.3 Tenure: The report suggests that roughly 50% of affordable housing need could be met by intermediate housing, **but only** with costs pitched at similar levels to social housing rents. In practice, intermediate housing is normally shared ownership, which cannot be provided at costs similar to social housing. Only 3.8% of those households in housing need can afford shared ownership, while the remainder could only afford social rented accommodation, or a new form of tenure with similar costs.

Housing Needs by Ethnicity

4.1 Issues concerning the housing needs of different ethnic communities are being looked at

regionally via the South East London Housing Strategy, and figures from the survey will contribute to this. This is necessary because the size of many BME groups is too small to research effectively at single borough level.

- Most likely group to be in unsuitable housing are black African, followed by Afro-Caribbean.
- Lowest incomes are those of Cypriot and Chinese/Vietnamese; highest are white-other, followed by Asian.
- There are differences in tenure mix and geographical distribution – for example Asian households are more likely to live in the private sector, black Africans and black Caribbean households are more likely to be found in council property.
- There are marked differences in household size and age structure.

Key Workers

5.1 The questionnaire asked respondents if they fitted into one of four categories of key worker, these being:

- health staff;
- teachers;
- police;
- other emergency workers.

However, a number of other occupations have recently been added to the key worker criteria and are not considered in the report. The report analyses the circumstances of those key workers who have a household income below £36,300. There were substantial differences between the different occupational categories:

5.2 Around half of health workers live in the private sector, with about 22.5% in private rented accommodation, another 22% owner occupiers with mortgage and 6% owners with no mortgage. The situation looks very different for police, with around 64% owners with a mortgage, and none in the rest of the private sector. 63% of teachers are in the private sector, - with 40% owners with a mortgage, 9% owners with no mortgage, and 13.5% private renters.

5.3 Although this indicates that there are clearly differences in the circumstances of different key worker occupational groups, the numbers of some groups in the survey [police & other emergency workers] were low, making meaningful analysis difficult. Further research would be needed to ascertain the needs of those groups.

5.4 Around 71% of key workers want to live in Southwark, with others wanting elsewhere in London [7%], elsewhere in the south east [6%], the UK [8%] or abroad [7%]. Key workers are predominantly childless households.

The Needs of Special Groups

6.1 This includes households with special needs and the need for supported housing, including the needs of elderly people and of those with mobility problems.

6.2 Special needs

The survey has defined special needs households as having one or more members who fall into the following categories:

Frail elderly

A physical disability

A learning disability

A mental health problem

Vulnerable young people and children leaving care

Severe sensory disability

Other

6.2.1 The survey estimates that there is an existing backlog of around 1,400 special needs households who need to move to alternative, affordable housing.

- An estimated 29% of all council households contain a person with special needs. Eighty per cent [13,376] of households containing someone with special needs are resident in the social housing sector. There are around 2,376 special needs households in RSLs. A high proportion of people with special needs are elderly. This has implications for the design of social housing schemes, to cater for the requirements of special needs households.
- Around 12,285 households contain someone with a physical disability, and around 4,503 households have a member who is 'frail elderly'. Therefore the greater part of survey respondents found to have special needs were in this category for reasons of physical disability. Some 56% of special needs households contain elderly people and 23% of special needs households are 'frail elderly'.

6.2.2 Unsuitable housing: Special needs households are more likely than other households to live in a home with disrepair or unfitness, have difficulty maintaining their home or to be subject to harassment. A quarter of special needs households are in unsuitable housing.

6.2.3 Ethnicity: Proportions of households with special needs vary by ethnic group. The groups with the highest percentages of membership with special needs are Cypriot, white Irish, black Caribbean and white British consecutively. [However it should be noted that the survey results are less reliable for smaller groups, such as the Cypriot community.] The situation is not simple: White British households form over 56% of special needs households in unsuitable housing, although the communities with the highest percentage of households with special needs in unsuitable housing are Asian and black African.

6.3 Older people

Older people are defined in the survey as those over retirement age (65 for men, 60 for women). Some 17% of households [18,681], contain older persons only, a further 7% [7,501] contain both older and non-older persons.

6.3.1 There are around 5,045 older person only households living in the owner occupied sector [27% of older person only households], with 9.4% of these living in unsuitable housing. Around 715 pensioner only households are private tenants. Older people are also more likely to be long leaseholders.

6.3.2 Although many older person only households are in the private sector, a high proportion are found in the council sector. Twenty-three percent of all council households are older person only households and 33% of council households contain at least one older person. There are around 15,500 households containing older people in council homes, around 2,710 in RSLs and around 7,100 in owner-occupied accommodation.

6.3.3 Unsuitable housing: Older person households are less likely to live in unsuitable

housing than other households, although this does not mean they do not experience housing problems, with around 3,300 in unsuitable housing, of which 1,940 have special needs.

6.3.4 Ethnicity: Older person households are mainly white British [15,327 households], the next largest group being black Caribbean, with around 1,215 households.

Appendix 6

Key Findings of Valuations Research

Background

1 Market valuations of various development sites were completed in order to examine the affect that increasing the affordable housing proportions and lowering the threshold for affordable housing contributions has on land values and developers profit within the London Borough of Southwark.

Methodology

2 Twenty-one site valuations were completed. All of the developments had been previously granted permission and completed between 2002 and mid-2004. The sites were taken from across the borough, a range of sizes and included some mixed-use schemes including a residential element. The residual method of valuation will be employed to calculate land value and developer profit.

3 The residual method is used when valuing development sites and properties suitable for

redevelopment. The method involves making estimates of the total cost of the project and of the gross development value created. After making a reasonable allowance for profit and contingency, the difference between the gross development value and costs (including profit and interest accrued on capital borrowed over the development period, build costs and professional fees) represents the value of the land. It must be stated that the residual method of valuation is open to possible inaccuracy, as a small variation in any input can lead to large variation in the end result. The adoption of a consistent methodological approach using assumptions based upon real property market scenarios serves to limit uncertainty and risk

Valuation Assumptions

4 The following is a summary of the parts of a residual valuation that have been estimated to calculate land value and developer profit: -

- Market value of the completed scheme
- Unit sizes
- Construction period
- Build period
- Void period
- Finance rate
- Build costs
- Professional Fees
- Developers profit (expressed as a percentage of the build costs)
- Purchaser Fees

5 The payments in lieu figure per habitable room for the 10 –14 unit schemes is £35,384 based on the following percentages:

Number of units	10	11	12	13	14
Proportion of total habitable rooms	15%	20%	25%	30%	35%

6 Developments containing more than 14 units have been assessed on the basis of providing affordable housing on site. This assumes that the Registered Social Landlord will pay a set sum to the developer for an affordable housing unit dependent on size.

Summary of Findings

7. The results have been broken down into the following categories for analysis purposes:-

- i. 10-14 unit schemes
 - ii. Mixed use development
 - iii. Other properties falling within the Central Area Zone (CAZ) valued on the basis of 40% affordable housing.
 - iv. Other non-CAZ and developments in Elephant & Castle valued on the basis at 35% affordable housing.
 - i. 10 to 14 unit schemes: Developer profit does not change as this is based on a percentage of the build cost in residual valuations.
- 10 unit schemes based on a payment in lieu of 15%. Five sites fell within this category, from Chaucer, Grange (2), Newington and The Lane wards. If developers are required to make in lieu payments for 15% of the habitable rooms for developments with 10 units or less, land value will reduce by an average of 13% (ranging from 19% in Newington ward to 4% in Grange ward).

- 11 unit schemes based on a payment in lieu of 20%. Two sites fell within this category, from Newington and Peckham wards. If developers are required to make in lieu payments for 20% of the habitable rooms for developments with 11 units land value will reduce by an average of 29% (both developments at 29%).
- 12 unit schemes based on a payment in lieu of 25%. Three sites fell within this category, from Grange (2) and Livesey wards. If developers are required to make in lieu payments for 25% of the habitable rooms for developments with 12 units land value will reduce by an average of 18% (ranging from 26% to 6% in Grange ward).
- 13 units schemes based on payment in lieu of 30%. No sites were found.
- 14 units schemes based on payment in lieu of 35%. Five sites fell within this category, from Riverside (2), Rotherhithe, The Lane and Camberwell Green wards. If developers are required to make in lieu payments for 35% of the habitable rooms for developments with 14 units land value will reduce by an average of 35%. (ranging from 53% in The Lane ward to 18% in Riverside ward).

Summary – Schemes with 14 units or less units. For developments containing 14 units or less the proposed changes to affordable housing will reduce land value by an average of 24% across the London Borough of Southwark. However, this varies widely between 4% and 53%. Developments in the north of the borough have a significantly greater capacity to make the financial contribution at the proportion set out in the draft Affordable Housing SPG.

ii. Mixed Use Schemes: Four mixed use developments were valued. These all fell within the Grange ward and all included an element of employment/community floorspace. Three had 10 units while the fourth had 12 units and therefore the valuations are based on a payment in lieu. One of the developments only has 2 flats with the remaining 8 units comprising live/work units. Land values were reduced by an average of 12% (ranging from between 4% northern part of the ward and 22% in the southern part of the ward). Again, there is a significant variation depending on the local land values (Grange ward includes both Bermondsey and Old Kent Road). It will also be significantly affected by the other uses. A development of the mix of live/work units and flats as described above would not be required under new policies relating to Preferred Industrial Areas in the 2nd deposit Plan or its pre-Inquiry modifications and therefore the effect of non-residential elements is likely to be significantly reduced if this revised policy framework is accepted. It is also noted that, in the past, the mix of uses has been established in order to avoid making a contribution to affordable housing by remaining below the 15 unit threshold. If such developments are required to make a financial contribution it is likely that a different mix will be proposed and the residential element will be maximised.

iii. 15 or more unit schemes within the Central Activities Zone (excluding Elephant & Castle Opportunity Area): Only one site fell within this category as much of this area has previously been dominated by office developments. This site lies within the Chaucer ward just outside the Elephant & Castle Opportunity Area and comprised 130 units. Current legislation stipulates 25% affordable

housing, conclusions are based on the difference between the 25% current level and 40% proposed level. Increasing the affordable housing provision to 40% will reduce the land value by 11% and developer profit by 12%.

iv. 15 or more unit schemes within the Urban and Suburban Density Zones and Elephant & Castle Opportunity Area: Five sites fell within this category. These fell within the Livesey, Surrey Docks, Riverside and Camberwell Green (2) wards. Increasing the affordable housing provision to 35% for developments with more than 15 units will reduce the land value by an average of 4% (ranging between 6% for 43 units in Camberwell Green and 1% for 22 units in Riverside ward). With respect to developer profits, current legislation stipulates 25% affordable housing, and therefore conclusions are based on the difference between the 25% current level and 35% proposed level. Developer profit will be reduced by an average of 4% (ranging between 8% for 28 units in the Camberwell Green, and no change for 22 units in Riverside ward). The findings reflect the greatest impact on those developments in the south of the borough.

Conclusion

8 The results of this research suggest that the proposed changes to affordable housing will not render residential development in London Borough of Southwark unviable. However, the examination of developers profit is a contentious issue. Developer's profit in residual valuations is expressed as a percentage of the build costs. In undertaking the valuation of developments containing 14 units or less it has been assumed that the build cost will remain the same (the addition of the in lieu payment

should not change the cost of building the development) therefore developers profit does not change. In the real world developers may change the design specification to reduce build costs and/or reduce their profit aspirations. The valuations also indicate that changes to mixed use policies will have a significant impact on the viability of developments, particularly in the north of the borough. This will allow a significantly greater element of residential development in schemes involving the redevelopment of land previously in employment use. Therefore, such developments will be more able to support greater affordable housing contribution. Finally, there are significant variations in land value across the borough. While area-specific exceptions to the type of affordable housing are provided for in Part 1 of the 2nd deposit Plan, care will need to be taken when considering developments just outside these areas (for example, the development within the CAZ but just on the edge of Elephant & Castle referred to in iii. above) as land values are likely to be similarly low. Such developments will need to provide economic assessments which can be taken into account in affordable housing negotiations.

Appendix 7

List of Other Relevant Policies

The following is a list of general policies that should be taken into account when considering a housing development. This is not an exhaustive list and there will be other specific policies that also apply, such as those for conservation areas, opportunity areas etc. Further guidance will also be available in Supplementary Planning Guidance and government guidance such as Planning Policy Guidance and Circulars.

Adopted Unitary Development Plan (July 1995)

Policy R.2.2:	Planning agreements
Policy E.1.1:	Safety and security in the environment
Policy E.2.1:	Layout and building line
Policy E.2.3:	Aesthetic control
Policy E.2.5:	External space
Policy E.3.1:	Protection of amenity
Policy E. 3.5:	Vacant sites and buildings
Policy H.1.3:	New housing
Policy H. 1.4:	Affordable housing
Policy H.1.5:	Dwelling mix of new housing
Policy H.1.6:	Sites suitable for houses with gardens
Policy H.1.8:	Standards for new housing
Policy H.1.9:	Housing infrastructure
Policy H.1.10:	Provision of housing to mobility and wheelchair standards
Policy H.3.2:	Environmental effects of conversions
Policy H.3.3:	Dwelling mix for conversions
Policy H.3.4:	Standards for conversions
Policy H.3.5:	Houses in multiple occupation
Policy H.4.1:	Housing for special needs groups
Policy H.4.2:	Sheltered housing
Policy S.1.7:	Upper floors of shops

London Plan (February 2004)

Policy 3A.1	Increasing London's supply of housing
Policy 3A.3	Efficient use of stock
Policy 3A.4	Housing choice

Policy 3A.5	Large residential developments
Policy 3A.8	Negotiating affordable housing in individual private residential and mixed-use schemes
Policy 3A.10	Special needs and specialist housing
Policy 3A.14	Addressing the needs of London's diverse population
Policy 3C.2	Matching development to transport capacity
Policy 3C.16	Tackling congestion and reducing traffic
Policy 3C.17	Allocation of street space
Policy 3C.20	Improving conditions for walking
Policy 3C.21	Improving conditions for cycling
Policy 3C.22	Parking strategy
Policy 4A.6	Improving air quality
Policy 4A.7	Energy efficiency and renewable energy
Policy 4A.8	Energy assessment
Policy 4A.9	Providing for renewable energy
Policy 4A.11	Water supplies
Policy 4A.14	Reducing noise
Policy 4B.1	Design principles for a compact city
Policy 4B.3	Maximising the potential of sites
Table 4B.1	Density location and parking matrix (habitable rooms and dwellings per hectare)
Policy 4B.5	Creating an inclusive environment
Policy 4B.6	Sustainable design and construction
Policy 4B.7	Respect local context and communities
Policy 4B.9	Large-scale buildings – design and impact
Policy 5B.1	The strategic priorities for Central London
Policy 6A.4	Priorities in planning obligations

Draft second deposit Southwark Plan (March 2004)

Policy 1.7	Live-work units
Policy 2.5	Planning agreements
Policy 3.1	Environmental effects
Policy 3.2	Protection of amenity
Policy 3.3	Sustainability appraisal
Policy 3.4	Energy efficiency
Policy 3.5	Renewable energy
Policy 3.6	Air quality
Policy 3.7	Waste reduction
Policy 3.9	Water
Policy 3.10	Efficient use of land
Policy 3.11	Quality in design
Policy 3.12	Design statements
Policy 3.13	Urban design
Policy 3.14	Designing out crime
Policy 3.28	Biodiversity
Policy 4.1	Density of residential development

Policy 4.2	Quality of residential accommodation
Policy 4.3	Mix of dwellings
Policy 4.4	Affordable housing
Policy 4.5	Wheelchair affordable housing
Policy 4.7	Non self- contained housing for identified user groups
Policy 5.1	Locating developments
Policy 5.2	Transport impacts
Policy 5.3	Walking and cycling
Policy 5.6	Car parking
Policy 5.7	Parking standards for the mobility impaired
Appendix 3	Residential density standards
Appendix 7	Planning agreements
Appendix 15	Affordable housing
Appendix 16	Parking standards

The full text of these documents can be viewed on the following websites;

- The council's website, www.southwark.gov.uk for the adopted Unitary Development Plan, draft second deposit Southwark Plan and Supplementary Planning Guidance
- The Mayor of London's website, www.london.gov.uk for the London Plan.
- Planning Policy Guidance and Circulars can be viewed on the website for the Office of the Deputy Prime Minister www.odpm.gov.uk.

NB. The council does not take any responsibility for the content of the Mayor of London or Office of the Deputy Prime Minister's websites.

