

Meeting Name:	Cabinet
Date:	22 July 2024
Report title:	Affordable Housing Supplementary Planning Document
Cabinet Member:	Councillor Helen Dennis, New Homes and Sustainable Development
Ward(s) or groups affected:	All
Classification:	Open
Reason for lateness (if applicable):	N/a

FOREWORD - COUNCILLOR HELEN DENNIS, CABINET MEMBER FOR NEW HOMES AND SUSTAINABLE DEVELOPMENT

The delivery of genuinely affordable housing, and social rent homes in particular, is an immensely pressing priority in Southwark, and one which underpins the Southwark Plan and our requirements from those who want to invest in our borough. With over 17,500 households on our own waiting list, and with many others struggling to find affordable properties to rent or buy, it is imperative that the council and its partners work tirelessly to find solutions and remain committed to maximising affordable housing through development.

I am delighted that Southwark is leading the way in London on social rent, with 550 completions, the most in any London borough in 2023/4. But we still have much more to do in order to meet demand and this SPD sets out more detail on how our Southwark Plan policies can be implemented, including in relation to small sites and student accommodation. The SPD also provides more detail on intermediate housing options including our aspiration in Southwark to deliver Keyworker Homes and Community Land Trusts.

RECOMMENDATIONS

Recommendations for the Cabinet

1. To agree the Affordable Housing Supplementary Planning Document (SPD) for public consultation.
2. To note the consultation plan and supporting documentation.

Recommendations for the Leader of the Council

3. Not applicable.

REASONS FOR RECOMMENDATIONS

4. Regulation 12 (1) of the Town and Country Planning (Local Planning) (England) Regulations 2012 requires a Local Authority to publicly consult on an SPD before it can be adopted.

ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

5. No alternative option has been considered as the proposed recommendation is a statutory requirement.

POST DECISION IMPLEMENTATION

6. Public consultation on the Affordable Housing SPD.
7. In accordance with Southwark's statement of community involvement (SCI), the draft SPD will be available for comment for a minimum of twelve weeks. Additional time will also be added to the consultation to account for the summer period. Full details of the public consultation can be found in Appendix 2: Consultation plan.
8. The consultation will run from 7th August 2024 until 27th November 2024.
9. Once the public consultation is complete, the SPD will then be prepared for adoption. Officers will review the public consultation responses and make any amendments to the SPD where necessary.
10. The recommendation to adopt the SPD will be brought before Cabinet in May 2025.

Key Activity	Target completion date
Public consultation of the Affordable Housing SPD begins	7 August 2024
Public consultation of the Affordable Housing SPD concludes	27 November 2024
Amendments to Affordable Housing SPD (where necessary) following public consultation responses	December 2024
Adoption of Affordable Housing SPD by Cabinet	May 2025

BACKGROUND INFORMATION

11. This Affordable Housing SPD will replace the previous Affordable Housing SPD (2008) and draft Affordable Housing SPD (2011).

12. The SPD has been updated to reflect changes to national, regional and local policies. This includes changes to the National Planning Policy Framework (2023) and the adoption of the London Plan (2021) and the Southwark Plan (2022).
13. The SPD should be read alongside the council's Development Viability SPD (2016) and Draft Section 106 and CIL SPD (2024) (Subject to consultation).

KEY ISSUES FOR CONSIDERATION

General

14. Southwark requires more affordable housing to meet the needs of all residents and to achieve the Council's strategic policies. This was established in the Strategic Housing Market Assessment (SHMA) 2019. The SHMA demonstrated the local need for more affordable housing, both social rented and intermediate.
15. The purpose of the SPD is to set out the council's approach to delivering affordable housing. This is a key objective of the Southwark Plan 2022, outlined in strategic policy SP1 'Homes for all'.
16. The SPD will be relevant to all applications where planning policy requires affordable housing. It will provide detailed guidance to applicants on how to deliver a policy compliant scheme.
17. The SPD has the following objectives:
 - Support the implementation of Southwark Plan (2022) strategic policy SP1 'Homes for all'
 - Provide clear definitions of what is considered affordable housing
 - Set out the hierarchy for the delivery of affordable housing, including for small sites and non-conventional housing
 - Set out the Council's approach to assessing viability during the determination of planning application and in viability reviews
 - Set out the standards for the housing mix and tenure of affordable housing
 - Set out the expectations for the design and management of affordable housing
 - Set out monitoring arrangements to retain affordable housing.
18. The SPD applies to all housing development (including new build, change of use, conversions and extensions) with a policy requirement for affordable housing. It provides detailed guidance about how decisions on planning applications will be made. This includes:
 - Social rented housing

- Intermediate housing
- Key worker housing
- Small sites development
- Self and custom build development
- Community Land Trusts (CLTs)
- Purpose built student accommodation
- Houses in Multiple occupation (HMOs)
- Wheelchair accessible housing.

Mortgagee in Possession

19. In January 2023, Cabinet approved the use of the Greater London Authority's (GLA) standard Mortgagee in Possession clause. This was approved for use until 31 December 2024.
20. To support this, guidance has been included in the SPD on the clause.
21. This clause provides for any circumstance where a Registered Provider defaults on loan payments or any other terms. A mortgagee (or other relevant funding party) takes control of the Registered Provider's interest in the affordable housing units as assets against which their loan is secured.
22. This clause allows for another Registered Provider to purchase the affordable housing units within a specified timeframe known as the 'moratorium period' under a prescribed procedure. This clause has been standardised by the GLA to ensure a consistent approach and speed up decision making in London.
23. A robust financial case must be set out the Registered Provider if it does not want the council to include the GLA's standard clause.
24. By including this guidance, the SPD will provide the authority to continue using the GLAs standard clause after the expiry of the delegated authority provided by Cabinet.

Key Worker Housing (KWH)

25. Key workers perform essential work and are critical to many important services in the borough and in London. Key workers need to live in a reasonable distance to their place of employment to ensure these services run efficiently. Many keyworkers are unable, however, to secure housing on the private market and face long waiting times for social rented homes.
26. To support this, guidance has been included in the SPD on Key Worker Housing (KWH).

27. This is intermediate affordable housing (rental) available to those employed in recognised key worker occupations. It is based on tenancies of 2-5 years which must remain available as KWH in perpetuity (even when tenants turnover).
28. KWH is set out in the SPD as affordable intermediate housing which the council considers to meet the genuine needs of our residents.
29. The guidance includes:
 - The council's definition of key worker occupations
 - The income thresholds for KWH and additional eligibility criteria
 - The required tenancy lengths.
30. By including this guidance, KWH is formalised as an acceptable option for intermediate housing provision. This will mean a development can provide KWH as a method of meeting its affordable housing contributions (subject to other requirements of affordable housing being met).
31. Other matters such as the process of registering as a key worker or the nomination process are not within the remit of planning and as such have not been covered in the SPD.

Policy framework implications

32. The Affordable Housing SPD provides guidance on how to apply the relevant policies of the Southwark Plan 2022. It gives guidance on how to conform to the additional national and local legislature and policies within which the council must operate.
33. The SPD will be a material consideration in the determination of a planning application.
34. The SPD principally provides further information on the following Southwark Plan policies:
 - SP1 Homes for all
 - P1 Social rented and intermediate housing
 - P2 New family homes
 - P4 Private rented homes
 - P5 Student homes
 - P6 Purpose-built shared living
 - P7 Housing for older people
 - P8 Wheelchair accessible and adaptable housing
 - P9 Houses in multiple occupation

- P15 Residential design.

Community, equalities (including socio-economic) and health impacts

35. Section 149 of the Equality Act 2010 sets out the Public Sector Equality Duty (PSED). This requires public bodies to consider all individuals when carrying out their day-to-day work – in shaping policy, in delivering services and in relation to their own employees.
36. It requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people when carrying out their activities.
37. The council's [Approach to Equality](#) commits the council to ensuring that equality is an integral part of our day-to-day business. The [Equality Framework for Local Government](#) exists to help organisations, review and improve their performance for people with characteristics protected by the Equality Act 2010.
38. The Equalities Impacts and Needs Analysis (EINA) concluded that the Affordable Housing SPD would have no negative impacts on equalities in Southwark. The SPD does not create new policies but provides guidance on how existing policies should be implemented.
39. The EINA found that the SPD would have a broad range of positive impacts that will benefit all borough residents. The SPD would support the delivery of a range of types of affordable housing, including social rent and intermediate housing. All protected characteristic groups in Southwark will be able to benefit from the affordable housing that the SPD will help deliver.
40. There are no mitigating or improvement actions to be taken as a result of the EINA.
41. The full analysis can be found in Appendix 3: Equalities Impact and Needs Analysis.

Climate change implications

42. The Council has declared a Climate Emergency with the ambition to reach carbon neutrality by 2030.
43. Plan-making will contribute to this ambition through the preparation and implementation of planning policies, specifically in the development management process. Planning applications will be required to meet the policy requirements set out in the Southwark Plan 2022 and any supplementary planning documents.
44. This is supported by Southwark's Climate Change Strategy and Climate Change Resilience and Adaptation Strategy which sets out Action Points to meet this target.
45. The Affordable Housing SPD conforms with the Southwark Plan 2022 and does not create any new policies, therefore there are no new climate change implications.

Resource implications

46. There are no additional resource implications arising from the Affordable Housing SPD.
47. Staffing and any other resources connected to the SPD are to be contained within existing departmental capacity.

Legal implications

48. This report is being brought before the Cabinet under Part 3C of the Constitution. Paragraph 21 of the constitution states that the Cabinet has the power to adopt supplementary planning documents.
49. The Cabinet therefore has the power to agree the draft of the Affordable Housing SPD, which would include sending it out for consultation.
50. The Town and Country Planning (Local Planning) England Regulations 2012 states at regulation 12 that a local planning authority must undertake a process of public participation before it can adopt an SPD. Part of that process involves consulting with relevant persons, setting out the main issues raised by those persons and then explaining how those issues have been addressed in the SPD. This report is the first step towards beginning the public participation process and will help to inform the final draft of the SPD.
51. SPDs are not subject to independent examination in the same way that other planning documents are. However, as stated above there is still a process of consultation that must be undertaken in respect of such documents. Section 19(3) of the Planning and Compulsory Purchase Act 2004 specifically requires local planning authorities to comply with their adopted Statement of Community Involvement ("SCI").

Financial implications

52. There are no immediate financial implications arising from the Affordable Housing SPD.
53. Staffing and any other costs connected to the SPD are to be contained within existing departmental revenue budgets.

Consultation

54. Public consultation would commence if the recommendation proposed in this report is agreed.
55. In accordance with Southwark's statement of community involvement (SCI), the draft SPD will be available for comment for a minimum of twelve weeks. Additional time will also be added to the consultation to account for the summer period.
56. The consultation will run from 7 August 2024 until 27 November 2024.

57. The consultation will be run on the consultation platform, Citizen Lab. Comments will also be accepted by email or post.
58. The full details of the public consultation are set out in Appendix 2: Consultation plan.

Strategic Environmental Assessment (SEA)

59. A Strategic Environmental Assessment (SEA) is a way of ensuring the environmental implications of a plan or programme for 'town or country planning or 'land use' are taken into account. The need for environmental assessments is set out in the EU Directive 2001/42/EC. This has subsequently been transposed into English law by the Environmental Assessment of Plans and Programmes Regulations 2004.
60. A screening assessment has been undertaken to determine whether the Affordable Housing SPD requires a SEA. This is in accordance with Government's Planning Practice Guidance (PPG) published in September 2023.
61. The screening assessment concluded that the Affordable Housing SPD is not likely to have significant environmental effects and as such, does not require a SEA.
62. The Affordable Housing SPD conforms with the adopted Southwark Plan 2022 and corresponding Site-Specific Allocations. The SPD provides guidance on these policies but does not create new policies. The policies and allocations therein have been subject to an SEA through the Southwark Plan 2022 Integrated Impact Assessment.
63. The full assessment can be found in Appendix 4: Strategic Environmental Assessment Screening (SEA).

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Assistant Chief Executive, Governance and Assurance – NST050724

53. Under paragraph 7 of Part 3D Individual Cabinet Members have the power to agree significant policy issues in relation to their area of responsibility. The Cabinet Member for New Homes and Sustainable Development therefore has the power to agree the draft Affordable Housing SPD which would include approving a draft for consultation. However, given the significance of the Affordable Housing SPD, the draft is brought to Cabinet for approval.
54. Final approval of the SPD resides with full Cabinet under Part 3C of the Constitution paragraph 21 which states that only full Cabinet has the power to adopt supplementary planning documents taking account of comments from the planning committee.
55. Supplementary planning documents (SPDs) should build upon and provide more detailed advice or guidance on policies in the adopted Southwark Plan 2022. As they do not form part of the development plan, they cannot introduce

new planning policies into the development plan. They are however a material consideration in decision-making.

56. The National Planning Policy Framework states that SPDs add further detail to the policies in the development plan. They can be used to provide further guidance for development on specific sites or on particular issues and are capable of being a material consideration in planning decisions but are not part of the development plan.
57. Regulations 11 to 16 of the Town and Country Planning (Local Planning) (England) Regulations 2012 set out the requirements for producing Supplementary Planning Documents. The Affordable Housing SPD will not form part of the statutory development plan but will be an important material consideration in determining planning applications.
58. The Environmental Assessment of Plans and Programmes Regulations 2004 (SEA Regulations) also require the Council to consider whether or not Strategic Environmental Assessment (SEA) of the SPD should be undertaken. A strategic environmental assessment is unlikely to be required where a supplementary planning document deals only with a small area at a local level (see regulation 5(6) of the Environmental Assessment of Plans and Programmes Regulations 2004), unless it is considered that there are likely to be significant environmental effects.
59. Before deciding whether significant environment effects are likely, the criteria specified in schedule 1 to the Environmental Assessment of Plans and Programmes Regulations 2004 need to be taken into account. Officers have considered this at paragraphs 57-61 and prepared a screening report (Appendix 4). They consider that it is unlikely that there are significant environmental effects.
60. Council Assembly on 14 July 2021 approved a change to the council's Constitution to confirm that all decisions made by the council will consider the climate and equality (including socio-economic disadvantage and health inequality) consequences of taking that decision. This has been considered at paragraphs 41-44 above.
61. The Public Sector Equality Duty ("PSED") is set out at section 149 of Equality Act 2010 and requires the council to have due regard in the exercise of its functions (including decision making), to the need to:
 62.
 - a. Eliminate discrimination, harassment, victimisation or other prohibited conduct;
 - b. Advance of equality of opportunity between persons who share a relevant protected characteristics and those who do not share it;
 - c. Foster good relations between those who share a relevant characteristic and those that do not share it.
63. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.
64. Officers have considered the council's PSED under section 149 of the 2010 Act

at paragraphs 34-40 of this report and the Equalities and Impact Needs Analysis (EINA) at Appendix 3. Officers have concluded that, at this stage, the draft Affordable Housing SPD is not considered to have any adverse impacts on persons with protected characteristics.

- 65. The report recommends that the draft Affordable Housing SPD is published for public consultation. Comments relating to equalities considerations will be considered following the consultation and Affordable Housing SPD updated as appropriate.
- 66. Section 19(3) of the Planning and Compulsory Purchase Act 2004 requires local planning authorities to comply with their adopted Statement of Community Involvement (SCI). The Council's SCI provides for a period of 6 weeks informal consultation followed by 6 weeks formal consultation.

Strategic Director, Finance (FC24/008)

- 64. The report requests approval from Cabinet to agree Affordable Housing Supplementary Planning Document (SPD) for public consultation and to note the consultation plan and supporting documentation.
- 65. The strategic director of finance notes that there will be no immediate financial implications associated with the implementation of this SPD and notes other comments in the financial implications.
- 66. Staffing and any other costs associated with this recommendation are to be contained within existing departmental revenue budgets.

REASONS FOR URGENCY

- 67. Not applicable.

REASONS FOR LATENESS

- 68. Not applicable.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
The Southwark Plan 2022	Planning Policy 160 Tooley Street London SE1P 5LX Online here	Planning Policy team planningpolicy@southwark.gov.uk
Strategic Housing Market Assessment 2019	Planning Policy 160 Tooley Street London SE1P 5LX	Planning Policy team planningpolicy@southwark.gov.uk

Background Papers	Held At	Contact
	Online here	
Affordable Housing Supplementary Planning Document 2008 and draft Affordable Housing Supplementary Planning Document 2011	Planning Policy 160 Tooley Street London SE1P 5LX Online here	Planning Policy team planningpolicy@southwark.gov.uk
Development Viability Supplementary Planning Document 2016	Planning Policy 160 Tooley Street London SE1P 5LX Online here	Planning Policy team planningpolicy@southwark.gov.uk
Draft Section 106 and Community Infrastructure Levy Supplementary Planning Document.	Planning Policy 160 Tooley Street London SE1P 5LX Online here	Planning Policy team planningpolicy@southwark.gov.uk

APPENDICES

No.	Title
Appendix 1	Affordable Housing Supplementary Planning Document
Appendix 2	Consultation Plan
Appendix 3	Equalities Impacts and Needs Analysis (EINA)
Appendix 4	Strategic Environmental Assessment Screening (SEA)

AUDIT TRAIL

Cabinet Member	Councillor Helen Dennis, New Homes and Sustainable Development	
Lead Officer	Gemma Williams, Team Leader	
Report Author	Imogen Copps, Graduate Planner / Alicia Chaumard, Senior Planner	
Version	Final	
Dated	9 July 2024	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Assistant Chief Executive, Governance and Assurance	Yes	Yes
Strategic Director, Finance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	9 July 2024	