

GLA AFFORDABLE HOUSING SUPPLEMENTARY PLANNING GUIDANCE HBF BRIEFING NOTE

The draft SPG clarifies at the outset in Para 1.1 that it does not set out any new policies but provides guidance on policies set out in the London Plan.

The SPG does not stray from the overall strategic target of 50% affordable housing (AH). Indeed, Para 6.4 makes the helpful comment that “borough AH targets should apply to the aggregate of new provision from all sources within a borough. They are distinct from any benchmark for the negotiation of AH on any specific mixed use or private residential site in relation to policy 3.8”.

There is, however, guidance regarding circumstances where boroughs may deviate from this headline target;

Para 6.8 states: “An overall target of **over** 50% of new housing provision may be justified where:

- A lower target would be insufficient to meet unmet and projected needs for affordable housing
- There is no realistic prospect of access to significant additional provision in neighbouring boroughs as they also have significant deficits
- Existing provision of AH as a proportion of total stock is significantly below the London-wide average of 26%.

Para 6.9 states “An overall AH target of **below** 50% would require a justification that not only was the target adequate to meet the AH needs arising within the borough, but also that there was no case for the borough to make a contribution to meeting wider sub-regional and regional needs”.

This analysis is of concern in that it is putting greater emphasis upon neighbouring boroughs meeting each other’s affordable housing needs. There is no further consideration of this matter, for example how the dwellings are to be occupied.

Also, there is no reference here to setting benchmark targets for affordable housing to be delivered from private residential developments that have regard to site values for residential development.

Commercial viability is only considered for provision of affordable housing from individual developments. Para 7.10 establishes that “boroughs should consider the economic viability of the preferred outcome, the potential of the value of the site to contribute to funding the cost of AH provision and the availability of public subsidy to support AH on the development”. Para 7.14 re-iterates that “the availability of social housing grant will generally be a critical factor in determining the viability of a scheme”.

The SPG offers further positive comments in advising boroughs (Para 7.11) that when “undertaking an economic viability assessment of a specific

housing outcome, the borough should take into account the impact of any planning obligations sought for benefits other than affordable housing, recognising that requirements for contributions to schools, environmental improvements, transport or social infrastructure, may limit the affordable housing outturn”.

The issue following on from this is how such assessments are carried out and not surprisingly the SPG makes reference to the AH Development Control toolkit in Para 7.12, although Para 7.13 states that there is no requirement to use this toolkit to undertake the economic viability of a scheme. The theme however is financial appraisal, another term for open book.

In addressing the mix of units to be provided, the SPG provides some guidance regarding the suitability of different types of AH:

- Para 3.5: Studio flats should only be considered as intermediate provision where the local authority considers this provision is appropriate.
- Para 6.6: Where a requirement for student housing is identified, a separate target for student provision may be set in addition to the overall affordable housing target.
- Para 7.8: Higher density development may not be appropriate for significant provision of family size accommodation. In such cases a higher than norm proportion of intermediate provision, primarily comprising smaller dwellings may be appropriate
- Para 7.8: Sites in areas with significantly above the London average proportion of social rented provision (26% as at 2003) would generally be appropriate for higher than norm proportions of intermediate housing

Finally, the SPG includes a section on perpetuity and Para 3.15 advises that “Where no grant funding is involved, and where provision is outside the specific requirements set in a S106 agreement, shorter fixed periods may be considered, subject to a minimum of 15 years”. This appears to be taking into consideration the potential for commercial uses such as supermarket developments to provide affordable housing. The implications of this for the industry, in particular the use of a hierarchy regarding the definition of perpetuity, must be considered.

James McConnell
Strategic Planning Co-ordinator