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Dear Mr Lynch,

Draft Supplementary Planning Guidance: Affordable Housing

Thank you for giving the House Builders Federation (HBF) the opportunity to comment on your Draft Supplementary Planning Guidance for Affordable and Key Worker Housing within the London Borough of Lewisham. The HBF have considered the proposed document and have made the following observations:

Timing of the SPG

The HBF find it curious that the council are producing an SPG, whilst the UDP has not yet been formally adopted. It is the HBF's view that SPG is far more effective when it supplements a Plan, which has been formally adopted.

In support of this, PPG 12 Development Plans states that,

“Supplementary planning guidance (SPG) does not form part of the plan. It can take the form of design guides or area development briefs, or supplement other specific policies in a plan. SPG must itself be consistent with national and regional planning guidance, as well as the policies set out in the adopted plan. It should be clearly cross-referenced to the relevant plan policy or proposal which it supplements.”

As such this begs the question as to how the SPG can be used to supplement policies that haven't as yet been formally adopted.

Housing Need in Lewisham

The HBF believes that Para 3.03 endeavours to be tenure specific when it states: ***“The 2002 LHNS reveals that social rented housing is the sub-tenure that is most capable of meeting the great majority of housing need in the Borough. The Survey shows that housing need is met by neither low-cost market housing***

nor minimum priced second hand market housing. However it states that shared ownership is capable of meeting some housing need. This infers a preference of Social and Intermediate housing over low cost market housing.

This is substantiated through Circular 6/98, which states that planning policy should not be expressed in favour of any particular form of tenure. This is because decisions about what affordable housing types to build should reflect local housing need and individual site suitability and be a matter for discussion between the parties involved. And within that framework local planning authorities and developers should be reasonably flexible in deciding the detailed mix of affordable housing types appropriate to a particular site (HBF emphasis).

With regards to Para 3.05, which states, ***“Any key worker accommodation should be provided in addition to the affordable housing which meets the Council’s priority need.”*** HBF find this approach strange, given that the 2002 LHNS includes key workers within its estimates for housing need, the HBF see no reason as to why this is ‘additional’ need and why it is outlined as such.

Preferred Housing Mix

Para 3.07 contains Table 1, which states the Council’s Preferred Affordable Housing Mix. There is an absence of detail as to how this feeds from the LHNS. It is far too presumptuous to assume that all sites will be able to follow this prescriptive formula, due to costs and site constraints.

Off-Site/ In Lieu Payments on Affordable Housing

Para 4.04 states ***“where an off-site or in-lieu payment solution is considered acceptable, affordable housing equivalent to 47% of the facilitating development will normally be sought.”*** An imposition of a stringent 47% contribution is significantly different to the proposed UDP, which states, ***“A higher proportion will be sought if units are to be provided off-site. The scale of contribution will vary from site to site, dependent on site conditions, market conditions and other material consideration.”*** It is imperative that if affordable housing provision to be optimised effectively, then it should be governed on a site-by-site basis rather than such a specific general target. The 47% target should be deleted and replaced by a target to be negotiated with developers.

Para 4.06 contains a definition of affordable housing types that are capable of meeting the needs of those households who cannot afford housing in the open market including social rented housing, sub-market rented housing and shared ownership. HBF notes that low-cost market housing is not included in this definition. This contravenes Circular 6/98, which explicitly includes low-cost market in its definition of affordable housing, and the Council’s approach disregards the valuable role it can play in remedying affordability issues (Para 4)

Specialised Housing Development

With respect to Para 4.10 and 'specialised' housing development. The Draft London Plan - Examination In Public Panel Report from July 2003 states in Paragraph 4.4.1 that ***“purpose built student accommodation should be regarded as contributing to meeting an affordable housing requirement.”*** It is requested that the text is changed to reflect this.

Three Dragons/ Nottingham Trent University Development Control Toolkit

Para 5.02 states that the Council will use the Three Dragons/NTU Development Control Toolkit. HBF has a number of concerns with this, notably that the Three Dragons Nottingham Trent University Report (3DNTU) has been reviewed comprehensively by ATIS Real Wetheralls Ltd and it is common knowledge among the industry that this report is subject to a number of flaws.

The main criticism of the report is that it assumes public subsidy of at least the equivalent to 100% TCI would be available for each and every site in London, however this is not the case and as such would require more public subsidy than is currently available. (3DNTU estimate this to a total of about £600m per annum, £150m more than is currently available).

The Three Dragons report, at paragraph 8.13, makes clear that its calculations about additionality assume no other planning gain, infrastructure or remediation requirements on the site. The Council, however, under policy IRM3 of the Revised Deposit draft UDP could place additional financial demands on the developer that would serve to further reduce the viability of development in Lewisham.

Design and Layout of Affordable Housing

With regards to Para 7.01 that deals with appearance and differentiation between affordable and market housing on-site. Ironically this often occurs as a result of following rigorous Housing Corporation standards. The Council must be more flexible in it's approach, as a result.

Para 7.01 states that ***“where practicable, particularly within large developments, and in agreement with RSLs, the ‘pepper potting’ of affordable and key worker units, with dispersal across the site or fully integrated within a building, will be encouraged.”***

An insistence of dispersal of affordable housing throughout a development is far too prescriptive and has no regard for reality. Due to site constraints, this may be physically unviable for developers or have adverse financial implications, which may endanger the development proposal.

Additionally, the Council must be aware that RSLs often favour affordable homes to be provided in one location due to the practical and management difficulties of dealing with dwellings scattered throughout developments. It is essential that sufficient flexibility be provided within the SPG to assist such realities and that site-specific considerations are taken into account.

Para 7.02 states that planning permission for development such as cluster flats and other non-self contained accommodation will be refused. This ignores the valuable role that this type of accommodation can play, particularly for young key workers on low wages such as nurses and teachers.

Off-Site Provision of Affordable Housing

Para 8.02 states that if off-site provision is required – ***“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 and/or key worker homes should be provided at the same time as the facilitating development and prior to its effective completion.”***

HBF feels this approach is unreasonable, and in many circumstances it will be infeasible. If the Council wishes to facilitate affordable housing provision, then it is unclear why they should present such rigorous criteria for would-be developers. It is unlikely, given high land prices, that developers will have alternative sites in the Borough, and even more unlikely that they will have planning permission. Additionally, given financial and resource constraints, that it may not be possible for the affordable housing portion of a development to be provided in parallel with the market housing. HBF believes the Council should negotiate with developers on an individual development basis, and the text of the SPG should be altered to reflect this.

Negotiation Process for Affordable Housing

The HBF objects to the inference in Para 10.01 that a developer should use a Registered Social Landlord (RSL) that is one of the Council’s preferred RSL partners. Paragraph 17 of Circular 6/98 is quite clear that Local Authorities cannot seek to prescribe which RSL partners; developers should use to provide affordable housing. This should be deleted from the SPG.

The HBF also objects to the requirement for dwellings to remain affordable in perpetuity, detailed in Para 10.01. This amounts to a blanket requirement and is counter to the requirements of Circular 1/97 Para B17. This takes no account of changing circumstances in the future. Greater flexibility is required and this should be deleted from the SPG.

Funding of Affordable Housing

HBF object to the indication that developers will be expected to provide additional subsidy so as to avoid or minimise the need for Social Housing Grant,

and the use of Three Dragon/NTU (3DNTU) Toolkit to calculate this. As stated earlier, the HBF has a number of well-founded concerns with the 3DNTU Toolkit. Financial constraints inflicted on developers could stall, or even halt, developments coming forward, which will impinge on the Council's aims of increasing the provision of affordable housing.

HBF applauds that the Council states that cash-in-lieu payments for affordable housing will be 'ring-fenced' for the provision of affordable housing schemes via the Council's Affordable Housing Fund.

Thank you again for giving the HBF opportunity to comment on the Draft Supplementary Planning Guidance in Lewisham. I look forward to acknowledgement of this letter and further involvement in the plan preparation process.

Yours sincerely,

Jonathan Sheldon
Assistant Planner