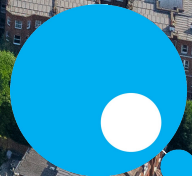


# The O2 Masterplan S73 Submission

## Affordable Housing Statement

Quod  
February 2025





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Quod

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# Affordable Housing Statement – Phase 1 Addendum

O2 Masterplan Site  
Finchley Road

S73 Application

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FEBRUARY 2025

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# Executive Summary

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This Affordable Housing Statement Phase 1 Addendum (“the Phase 1 Addendum Statement”) has been prepared by Quod on behalf of LS (Finchley Road) Limited (“the Applicant”), to support a Section 73 application which seeks to vary planning permission ref. 2022/0528/P, granted on 20<sup>th</sup> December 2023, in respect of the O2 Masterplan Site (“the Site”) within the London Borough of Camden (“LBC”). Whilst the Section 73 application will grant a new planning permission for the entire Site, amendments are only proposed to the Phase 1 Detailed Element. The Outline Elements will be unaffected by the proposed changes except for a reduction in the maximum residential floor area proposed.

This Phase 1 Addendum Statement has been prepared to demonstrate that the amount, type, and mix of affordable housing proposed in Detailed Element of the scheme, to which the S73 planning application relates, remains appropriate for the site and that the development proposal is in accordance with the statutory Development Plan.

A summary of the key considerations is set out below.

**Amount:** The S73 scheme proposes 36% Affordable Housing by floorspace (GIA) in Phase 1, which is consistent with the Original Consent. The number of affordable homes has however increased by 20 (+10.4%) from 192 to 212.

This is the maximum reasonable in accordance with Policy H4 of the Camden Local Plan due to financial viability considerations. It also satisfies the criteria for the Fast-Track approach set out in Policy H5 (Threshold Approach) of the London Plan. The provision of 212 new affordable homes in Phase 1 equates to c.16% of LBC’s annual affordable housing target. It will therefore make a very important contribution to meeting both local and strategic affordable housing need, in a climate where very few affordable homes have been delivered in recent years.

**Summary: The number of affordable homes has been increased.**

**Tenure Mix:** The S73 scheme continues to propose 60% Low-Cost Rent and 40% Intermediate tenure by floorspace (GIA) in Phase 1, consistent with the Original Consent. The proposed tenure mix complies with Policy H4 of the Camden Local Plan and Policy H7 (Affordable Housing Tenure) of the London Plan.

The provision of 60% of the affordable homes as Low-Cost Rent will make a significant contribution to meeting the priority needs of low-income households including vulnerable households (of which there are presently over 7,600 households on the council’s waiting list [ONS 2024]). This is a significant benefit noting the scheme is anticipated to be Build-to-Rent and is therefore not required to provide any low cost rented homes by national or regional policy. The proposed intermediate homes will meet the growing needs of ‘squeezed middle’ households who cannot afford to buy or rent a good quality suitable home locally but would also be very unlikely to be allocated an existing low-cost rent home (e.g key frontline workers).

**Summary: The tenure split remains unchanged.**

**Unit Mix:** The S73 scheme proposes a mix of affordable housing unit sizes within Phase 1 consistent with the Original Consent. The proportion of family sized (3 bedroom+) low-cost rent homes in the detailed element has however been increased from 50% to 57%.

This is a significant benefit of the S73 proposals. The S73 proposals are aligned with the approach set out in Camden Planning Guidance 2 (CPG2). The proposed mix will make an important contribution to meeting unmet needs of overcrowded low cost rented households and the needs of smaller households on the Council's Intermediate Housing Register. The proposed mix also supports the viability of the scheme and the quantum of Affordable Housing that can be provided.

**Summary: The unit size mix has been improved.**

**Products & Eligibility:** No changes are proposed to the products or eligibility in Phase 1 as part of the S73 scheme.

The low-cost rent homes will continue to be allocated to low-income households according to need in accordance with the Council's Housing Allocation scheme. The intermediate homes will continue to be prioritised in accordance with the objectives of the Council's Intermediate Housing Strategy (i.e to local people). This complies with Policy H4 of the Camden Local Plan, Camden Planning Guidance (CPG2) and Policy H4 of the London Plan.

**Summary: No changes are proposed to the approved products and/or eligibility requirements.**

**Affordability:** No material changes are proposed to the products or affordability as part of the S73 scheme. The low-cost rent homes will continue to be proposed to be let at London Affordable Rents published by the Mayor of London or, where the applicant elects, Social Rent. This complies with Camden Planning Guidance 2 (CPG2). The Intermediate Rent homes will continue to be let at rents substantially below market rent levels. The exact rental levels prescribed in the S106 will however be updated to align with the most recently published London Living Rents for the Ward. These rental levels are affordable to households with dual incomes starting from c.£26,500 per person (£53k dual income). This fully complies with national planning policy (which advocates a 20% discount) and with the definition of genuinely affordable set out in the London Plan and the Mayor's Housing Strategy.

Both the low-cost rent and intermediate rents continue to be substantially less than market rents and conventional Affordable Rents. The low-cost rent homes will meet the needs of low-income households on the Council's waiting list including those who may be reliant on welfare income. The intermediate homes will meet the needs of local working households who can't afford to buy and/or rent a suitably good quality home locally and who are unlikely to be allocated low-cost rent housing or intermediate rent delivered elsewhere in the borough (e.g. key workers).

**Summary: No material changes are proposed to product affordability. Intermediate rents will be aligned with current London Living Rents.**

**Design & Management:** No changes are proposed to the approach to design and management. All homes continue to be designed so they are tenure blind, meet or exceed the design standards set out in the LB Development Plan and are suitable for management by a Registered Provider of

Affordable Housing. This complies with the requirements of CPG2, nationally prescribed space standards and, for 10% of the homes, part M4(3) of building regulations. The scheme has also been designed to ensure estate service charges are as affordable as possible. The design of the affordable homes has been determined in collaboration with Origin/ PfP who are one of the Council's approved Strategic Providers.

**Summary:** No changes are proposed to the approach to design and management.

**Phasing & Distribution:** No changes are proposed to the approach taken to phasing and distribution in Phase 1. The delivery of Phase 1 continues to be phased to ensure that the affordable housing will be delivered ahead of the full occupation of the private homes. This is aligned with the objectives set out in Camden Planning Guidance 2 (CPG2). The layout of Phase 1 continues to seek to optimise residential amenities for all tenures and avoids concentrating affordable housing close to potential sources of disturbance. This also accords with the requirements of CPG2. The distribution, layout and phasing of homes has been determined in collaboration with Origin/ PfP who are one of the Council's approved Strategic Providers.

**Summary:** No change is proposed to the approach taken to phasing and distribution.

**Grant Funding:** No change is proposed to the approach taken to grant funding. Whilst the applicant may seek grant funding, the commitment made in the amended planning consent will not be contingent on the receipt of funding (i.e the S106 agreement will not seek a lower quantum where grant is unavailable).

**Summary:** No change is proposed to the approach taken to grant funding.

**Review Mechanism:** No change is proposed to the approach taken to review mechanisms. If triggered, an Early-Stage viability review will enable the provision of affordable housing to remain at the maximum reasonable amount, with the potential to increase up to the local policy target of 50% subject to future market conditions and delivery timescales.

**Summary:** No change is proposed to the approach taken to review mechanisms.

**Severability:** The updated severability plan shows the extent of the severable area within Plot S8. Should this area of Plot S8 be severed and not developed pursuant to O2 Masterplan Scheme, as this falls outside of Phase 1, this would have no bearing on the obligation secured within the S106 agreement for the Phase 1 scheme to deliver 36% of the remaining GIA as affordable housing.

**Summary:** The approach taken to the severability of the relevant part of Plot S8 has no bearing on the Phase 1 affordable housing obligations.

Overall, this Statement demonstrates the affordable housing proposals within Phase 1 (Detailed Element) of the scheme, as amended by the proposed S73, remain appropriate for the Site and are in accordance with relevant planning policy. The Affordable Housing proposals will make a significant contribution to meeting both local and strategic London Wide housing need and must therefore be afforded substantive positive decision weight in the overall balance.

# 1 Introduction

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- 1.1 This Affordable Housing Statement (“the Statement”) has been prepared by Quod on behalf of LS (Finchley Road) Limited (“the Applicant”), to support a Section 73 application which seeks to vary planning permission ref. 2022/0528/P, granted on 20 December 2023, in respect of the O2 Masterplan Site (“the Site”) within the London Borough of Camden (“LBC”). Whilst the Section 73 application will grant new planning permission for the entire Site, amendments are only proposed to the Detailed Element. The Outline Elements will be unaffected by the proposed changes except for a reduction in the maximum residential floor area proposed.
- 1.2 The Site is subdivided into 10 Development Plots (N1, N2, N3, N3-E, N4, N5, N6, N7, S1 and S8). These are identified in Parameter Plan ref. 19066\_X\_(02)\_102. The 10 plots sit within three indicative phases.
- 1.3 The proposed Section 73 amendments relate to Development Plots N3E, N4 and N5, and the associated landscaping, access roads and infrastructure. These plots are located in the centre of the Site and are approved in detail as they form the first phase of the development – the “Detailed Element”. The Detailed Element of the Site extends to 1.79ha.
- 1.4 Development Plots S8, N7 and N6 located in the west of the Site are approved in outline and form “Outline Element West”. Development Plots N3, N2, N1 and S1 located in the east of the Site are approved in outline and form “Outline Element East”. These plots together are referred to as the “Outline Elements.” The Outline Elements are not affected by the amendments proposed as part of this Section 73 application except for a reduction in the maximum residential floor area proposed.
- 1.5 The amendments proposed as part of this Section 73 application are herein referred to as the “Proposed Development”.
- 1.6 In summary, the Section 73 design amendments relate principally to the Detailed Element and involve adjustments to the height, massing and footprints of the buildings; the replacement of Block N4D with a two-storey community centre; new landscaping and additional public realm; revisions to architecture; and revisions to unit mix and internal layouts. Overall, there is an increase in floorspace of 5,766 sqm (GIA) for the Detailed Element compared with the Approved scheme, an increase of 43 residential units, an increase in the size of the community centre and a slight reduction in commercial floorspace (-8sqm GIA). The affordable housing provision remains the same at 36% of the floorspace (GIA).
- 1.7 While there is an increase in the floorspace proposed in the Detailed Element, there is a corresponding reduction in floorspace in the Outline Elements such that overall, there is no change proposed to the total floorspace permitted for the O2 Masterplan as a whole, apart from an 8sqm (GIA) reduction in commercial floorspace from the Detailed Element.
- 1.8 The Proposed Description of development is as follows:

*“Application under Section 73 of the Town and Country Planning Act 1990 (as amended) to vary Conditions 14 (Severability Condition), AD1 (Approved Drawings - Masterplan), AD2*

*(Approved Drawings - Reserved Matters), AD3 (Approved Drawings - Phase 1), RM1 (Parameter Plans and Development Specification), RM6 (Phasing Plan), RM11 (Reserved Matters – Access Statement), D14 (Reuse and Recycling of Demolition Waste), D20 (Photovoltaic Cells), D21 (Phase 1 Long Stay Cycle Parking), D22 (Phase 2 Short Stay Cycle Parking), D24 (Phase 1 Disabled Car Parking), D26 (Phase 1 Fire Safety Implementation of Approved Measures), and M28 (Phase-Wide Lighting Strategy) and the removal of Conditions M6 (Enabling Works) and M7 (Major Utilities Infrastructure) of planning permission ref. 2022/0528/P dated 20 December 2023 for ‘Detailed planning permission for Development Plots N3-E, N4, and N5 and Outline planning permission for Development Plots N1, N2, N3, N6, N7, S1 and S8, including demolition of all existing structures and associated works, and redevelopment to include residential development (Class C3), commercial, business and service uses (Class E), local community uses (Class F2), and Sui Generis leisure uses (including cinema and drinking establishments) together with all landscaping, public realm, cycle parking and disabled car parking, highway works and infrastructure within and associated with those Development Plots, in accordance with the Development Specification. For the avoidance of doubt, the Detailed and Outline planning permission are separate and severable for each of the Plots shown on plan P011 and the description of development on any decision notice issued pursuant to the application would reflect that’, to allow for amendments to the Detailed Element (Plots N3-E, N4 and N5) including additional height, alterations to the design, massing and footprint of the buildings; the replacement of Block N4D with the relocated community centre; an additional 42 residential units; revisions to unit mix and internal layouts; additional community (Class F2) floorspace, reduction in retail (Class E,a) floorspace, reduction in professional services (Class E,c) floorspace, additional blue badge and cycle parking; revised landscaping and additional public realm; and associated works”.*

- 1.9 Full details and scope of the Section 73 application are described in the submitted Planning Statement Addendum, prepared by Newmark and the Design and Access Statement prepared by GRID.
- 1.10 This Statement has been prepared to demonstrate the amount, type and mix of affordable housing proposed in the S73 planning application is appropriate for the Site and that the development proposal is in accordance with the statutory Development Plan.
- 1.11 The Statement is structured as follows:
  - An overview of the planning application and relevant policy (Section 2);
  - An analysis of the scheme affordable housing proposals (Section 3); and
  - A summary of the overall conclusions (Section 4).
- 1.12 This Statement should be read in conjunction with several of the other planning application documents submitted with the S73 application, including but not limited to the Planning Statement and the Design and Access Statement.



## 2 Application Context

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- 2.1 This Section of the Statement provides an overview of the Site, the Proposed Development and relevant planning policy considerations.

### Application Site

- 2.2 The Site is approximately 5.7 ha in size and comprises the O2 Centre, which is arranged over three floors and contains a cinema, a mix of retail units, restaurants and cafes, a health club, a community room and a Sainsbury's store; hard-standing, which is used as a car-park with space for 520 vehicles, car wash and a Homebase store (which was recently demolished), and to the western part of the Site are two purpose-built car showrooms and a builder's merchant.
- 2.3 The amendments proposed by the S73 application relate to the central part of the site. This area is covered by the Detailed Element of the approved O2 Masterplan planning permission. This part of the Site is approximately 1.79 ha in size and currently comprises of hard-standing, which is used as a car-park with space for 520 vehicles, a car wash and the site of the former Homebase store (which was recently demolished)
- 2.4 The land contained within the red line plan for the O2 Masterplan planning permission (both Outline and Detailed Elements) comprises the following: O2 Centre; Associated O2 Centre car park; Site of the former Homebase store (which was recently demolished); Car wash; Car showrooms; and Builder's merchant (Thereafter referred to as 'the Site')

### S73 Application

- 2.5 This Affordable Housing Statement Phase 1 Addendum accompanies a Section 73 application which seeks to vary planning permission ref. 2022/0528/P, granted on 20<sup>th</sup> December 2023.
- 2.6 The S73 scheme involves adjustments to the height, massing and footprints of the buildings; the replacement of Block N4D with a two-storey community centre; new landscaping and additional public realm; revisions to architecture; and revisions to unit mix and internal layouts. Overall, there is an increase in floorspace of 5,766 sqm (GIA) for the Detailed Element compared with the Approved scheme, an increase of 43 residential units, an increase in the size of the community centre and a slight reduction in commercial floorspace (-8sqm GIA). The affordable housing provision remains the same at 36% of the floor area (GIA).
- 2.7 While there is an increase in the floorspace proposed in the Detailed Element, there is a corresponding reduction in floorspace in the Outline Elements such that overall, there is no change proposed to the total floorspace permitted for the O2 Masterplan as a whole, apart from an 8sqm (GIA) reduction in commercial floorspace from the Detailed Element.
- 2.8 Tables 2.1, 2.2 and 2.3 below provide a comparison of the existing approved and proposed S73 housing mix in the Detailed Element of the scheme.

**Table 2.1 – Approved Housing Mix (Phase 1 - Detailed Element)**

| Type of Housing | Private    | Low-Cost Rent | Intermediate Rent |
|-----------------|------------|---------------|-------------------|
| Studio          | 71 (17%)   | 0             | 0                 |
| 1 bedroom       | 145 (35%)  | 14 (13%)      | 37 (44%)          |
| 2 bedroom       | 184 (44%)  | 39 (36%)      | 36 (42%)          |
| 3 bedroom       | 16 (4%)    | 54 (50%)      | 12 (14%)          |
| <b>Total</b>    | <b>416</b> | <b>107</b>    | <b>85</b>         |

**Table 2.2 - S73 Proposed Housing Mix (Phase 1 - Detailed Element)**

| Type of Housing | Private    | Low-Cost Rent | Intermediate Rent |
|-----------------|------------|---------------|-------------------|
| Studio          | 76 (18%)   | 0             | 0                 |
| 1 bedroom       | 120 (27%)  | 4 (3.5%)      | 39 (40%)          |
| 2 bedroom       | 206 (47%)  | 45 (39%)      | 46 (47.5%)        |
| 3 bedroom       | 36 (8%)    | 66 (57.5%)    | 12 (12.5%)        |
| <b>Total</b>    | <b>438</b> | <b>115</b>    | <b>97</b>         |

**Table 2.3 - S73 Proposed Housing Mix Change (Phase 1 - Detailed Element)**

| Type of Housing | Private    | Low-Cost Rent | Intermediate Rent |
|-----------------|------------|---------------|-------------------|
| Studio          | +5 (+1%)   | 0             | 0                 |
| 1 bedroom       | -25 (-8%)  | -10 (-9.5%)   | +2 (-4%)          |
| 2 bedroom       | +22        | +6 (+3%)      | +10 (+5.5%)       |
| 3 bedroom       | +20        | +12 (7.5%)    | 0 (-1.5%)         |
| <b>Total</b>    | <b>+22</b> | <b>+8</b>     | <b>+12</b>        |

## Policy & Guidance

2.9 Planning decisions in England are required to be made in accordance with the development plan unless material planning considerations indicate otherwise. The development plan includes the Camden Local Plan (2017) and the London Plan (2021). Material considerations include the National Planning Policy Framework (NPPF) (December 2024) and Camden Planning Guidance (CPG). The documents and policies most relevant to the affordable housing proposals are summarised below.

### National Policy & Guidance

#### National Planning Policy Framework (December 2024)

2.10 The National Planning Policy Framework (NPPF) provides the national policy for planning in England, including implementing the Central Government’s housing policy objectives. The NPPF is an important material consideration in the determination of all planning applications. The NPPF directs plans and decision-taking to ensure delivery of a wide choice of high-quality homes for a range of needs for today and in the future (paragraph 8(b)).

- 2.11 Section 5 of the NPPF, 'Delivering a Sufficient Supply of Homes', states that any scheme comprising 5 or more homes should provide affordable housing. It establishes that affordable housing should be delivered on-site.
- 2.12 Annex 2 of the NPPF defines affordable housing as housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers). It defines four types of affordable housing: Affordable Housing for rent; Social Rent; Discounted market sale housing; and other affordable routes to home ownership.

#### National Planning Practice Guidance (As Updated)

- 2.13 The National Planning Practice Guidance (PPG) provides guidance on the application of policies set out in the NPPF. It is a material consideration.
- 2.14 In respect of affordable housing need, the PPG confirms that housing need is an unconstrained assessment of the number of homes needed in an area (PPG Reference ID: 2a-001-20190220). It also confirms that all households whose needs are not met by the market can be considered for affordable housing need (PPG Reference ID: 2a-018-20190220).
- 2.15 More specifically the PPG confirms the need for affordable housing by assessing past trends and current estimates of: the number of homeless households; the number of those in priority need who are currently housed in temporary accommodation; the number of households in over-crowded housing; the number of concealed households; the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings); and the number of households from other tenures in need and those that cannot afford their own homes, either to rent, or to own, where that is their aspiration (PPG Reference ID: 2a-020-20190220).

#### **Regional Policy & Guidance**

##### London Plan (2021) (Mayor of London)

- 2.16 The London Plan (2021) provides the overarching strategic planning framework for London. In respect of affordable housing, Policy H4 (Delivering Affordable Housing) states that the strategic target is for 50% of all new homes to be affordable. Specifically, it requires major developments which trigger affordable housing requirements to provide affordable housing through the threshold approach (Policy H5) using grant to increase affordable housing delivery beyond the level that would otherwise be provided.
- 2.17 Policy H5 (Threshold Approach to Applications) confirms that privately owned sites providing at least 35% Affordable Housing are not required to follow the viability tested route. Policy H6 sets out the Mayor's affordable housing tenure mix. Specifically, it states that 30% of the affordable homes should be low-cost rent (London Affordable Rent or Social Rent), 30% at Intermediate and 40% to be agreed with the borough based on identified need.
- 2.18 The supporting text confirms Intermediate products which meet the definition of genuinely affordable housing which means they must be affordable to households on incomes up to the

level of a specific cap, set in 2024 at £67,000 for products to rent and £90,000 for products to buy, as reviewed and updated through the London Plan Annual Monitoring Report.

- 2.19 Policy H10 (Housing Size Mix) states that schemes should consist of a range of unit sizes having regard to a range of factors including the tenure of housing proposed.
- 2.20 Policy D6 (Housing Quality and Standards) requires new housing development to be of high-quality design, provide adequate-sized rooms, with comfortable and functional layouts, which are fit for purpose and meet the needs of Londoners without differentiating between tenures.
- 2.21 Policy GG4 (Delivering the homes Londoners need) supports creating mixed and inclusive communities, with good quality homes that meet high standards of design and provide for identified needs.

#### Affordable Housing and Viability Supplementary Planning Guidance (SPG) (Mayor of London)

- 2.22 The Mayor's Affordable Housing and Viability SPG ('the SPG') provides guidance to ensure that the existing London Plan policy is as effective as possible. It is a material consideration.
- 2.23 The SPG provides guidance on the threshold approach, whereby schemes meeting or exceeding 35% affordable housing (calculated on the basis of habitable rooms), and meeting the tenure split requirements, are not required to submit a viability assessment or have a late-stage viability review.

#### Housing Supplementary Planning Guidance (SPG) (Mayor of London)

- 2.24 Guidance on how the Mayor will implement London Plan policies on housing, including residential development standards, accessible housing and specialist housing.

### **Regional Policy & Guidance**

#### Camden 2025 Vision (2018)

- 2.25 In 2018 Camden Council published a 2025 'Vision'. This was informed by engagement with local communities and a Citizens' Assembly. The Vision emphasises the positives of the Borough rooted in its people and communities and its diversity. The five-year action plan for 2018 to 2022 (Our Camden Plan) includes actions to:
- Build as many genuinely affordable homes as we can as quickly as we can and help others (including housing associations and developers) to do so as well. We will build more affordable homes than we have done in a generation.
  - Do all we can to help young people who have grown up here, or who have strong connections to the borough, to gain a foothold in Camden and build their adult lives here.

## Camden Local Plan (2017)

- 2.26 The Camden Local Plan (2017) sets out the Council's vision for the borough and planning policies. It forms part of the development plan. A key strategic objective of the plan is to provide homes that meet the housing needs of existing and future residents in terms of number, affordability, quality, type of property and mix of dwelling sizes.
- 2.27 Policy H4 (Maximising the supply of affordable housing) of the Local Plan confirms the Council will expect a contribution to affordable housing from all developments that provide one or more additional homes and involve a total addition to residential floorspace of 100 sqm GIA or more, including mixed-use developments.
- 2.28 Policy H4 also sets out criteria which will be used to assess the appropriate contribution to affordable housing from each development. These include:
- applying an affordable housing target of 50% of additional residential floorspace to developments with a capacity for 25 or more additional homes;
  - the guideline mix of affordable housing types is 60% social-affordable rented housing and 40% intermediate housing;
  - seeking to negotiate the maximum reasonable amount of affordable housing under the specific circumstances of the site, including the financial viability of the development;
  - aiming to minimise social polarisation and create mixed, inclusive and sustainable communities;
- 2.29 Policy H6 (Housing Choice & Mix) of the Local Plan and accompanying paragraphs 3.154 - 3.155 set out the Council's requirements in relation to the nationally described space standards, accessible and adaptable dwellings, and wheelchair-user dwellings.
- 2.30 Policy H7 (Large and Small Homes) confirms the Council will expect a mix of large and small homes in all housing developments and seek a range of self-contained homes to meet identified dwelling size priorities.

## Camden Planning Guidance 2 Housing (January 2021)

- 2.31 Camden Planning Guidance on Housing (CPG2) is a Supplementary Planning Document (SPD) which provides guidance on the interpretation and application of policy within the Camden Local Plan (2017). It is a material consideration in planning decisions but clearly attracts less weight than the policies in the Local Plan.
- 2.32 Key areas of guidance set out within CPG2 include confirmation that:
- The Council may have regard to the London Plan threshold approach where appropriate, particularly in relation to strategic developments.
  - The Council will support the provision of London Affordable Rent homes as a form of social-affordable rented housing.
  - The Council prefers the intermediate homes to be intermediate rent.
  - Affordable homes should be transferred to a provider from the Council's Approved Strategic Partner List (July 2020 as updated).

- The Council aims for 50% of socially affordable rented homes to be large homes with 3 or more bedrooms and will also place a high priority on securing smaller homes with two bedrooms (suitable for 4 persons) for socially affordable rent.
- The Council prefers most homes for intermediate rent to be 1 bedroom or 2 bedroom flats and will give high priority to studio and one-bedroom homes. 90% of the need on the Intermediate Housing Register is for 1 and 2 beds.
- Where schemes involve both social-affordable rented housing and intermediate housing, it may often be appropriate to have a high proportion of intermediate homes that are studios or one-bedroom homes and a high proportion of social-affordable rented homes with three bedrooms or more.
- The precise mix of dwellings will be negotiated with the developers and affordable housing providers involved in each scheme.
- To be eligible for intermediate rented housing, a household's gross annual income should not exceed the London Plan maximum of £67,000 for intermediate rented housing.
- The council will seek a range of rents appropriate to the particular homes in each scheme:
  - Low cost rent homes should be allocated in accordance with the council's Housing Allocation Scheme (2018, as updated);
  - Providers are expected to market any intermediate homes that become available to people on the Register of Interest;
  - Applicants should engage with Registered Providers at the earliest stages of housing design;
  - Occupation of all market homes in the development should not take place until the affordable homes have been transferred to the selected provider;
  - Development should be tenure blind, using a common design approach, with high quality materials and finishes throughout;
  - Market and affordable blocks should be spread evenly across the site. The layout of the development should optimise residential amenity for all tenures;
  - At least 10% of affordable homes should be designed to comply with Building Regulation M4(3) for wheelchair user dwellings.

#### Intermediate Housing Strategy (July 2020)

2.33 The strategy sets out the Council's approach to the supply and allocation of submarket housing in Camden. It seeks to meet the aspirations set out in the Camden Plan and taken forward by the Camden Equalities Taskforce to deliver suitable and affordable housing to middle income households.

2.34 The Equalities Taskforce saw intermediate housing (IH) as meeting 'the needs of low and middle income groups' who were 'very unlikely to secure' social housing. The task force highlighted the importance of maintaining the social mix of Camden, identifying its potential to build community cohesion and enhance individuals' life chances. It is now common to hear reports of low and middle income workers like key workers such as teachers, nurses and even doctors who are unable to live in Camden.

2.35 The strategy seeks to ensure that intermediate housing can be delivered viably and affordably to the 'squeezed middle' of working households on low and middle incomes in Camden, thus helping to maintain cohesive communities and the diversity of the borough's population.

2.36 The strategy confirms that the Council will:

- encourage all developers to provide Intermediate Rent;
- encourage providers to adopt an approach to intermediate rent within a range of rent levels from 40% to 80% of market rent;
- encourage all providers and developers to minimise service charges in order to enhance affordability;
- encourage some provision of well-designed studio as well as one-bedroom accommodation to meet the needs of single households or couples;
- encourage developers to design good quality two bedroom units suitable for sharing households;
- Expect providers of IH to market their units to people registered on Intermediate Register and any other groups as specified by the council, in the first instance;
- Expect providers to let Intermediate Rent units in accordance with the Priority Matrix set out in Schedule 1. 6.22 which prioritises Camden residents over non-Camden residents and non-Camden residents who have worked in the borough for the last six months over those who haven't, in recognition of the contribution that keyworkers from outside the borough make to Camden.

#### Camden Draft Statement on Intermediate & First Homes (2021)

2.37 The Council is consulting on a draft Planning Statement on the Intermediate Housing Strategy and First Homes. The draft statement sets out the proposed approach to these types of housing to guide the implementation of Camden planning policies and the assessment of planning applications. The draft statement is a material consideration. The weight to be attached to it will increase as it progresses through the approval process.

- Since the beginning of 2018, the Council's intermediate rent strategy has delivered over 130 intermediate rent homes, the majority of lettings have been to households with annual incomes below £40,000 (gross), and significant proportions of lettings have been to people working in the health sector and those who previously lived in social housing.
- Over 950 people were registered on the Council's intermediate housing register of interest at the start of October 2021 of which over 41% had incomes of £40,000 or more, 41% worked in health or education; 61% were borough residents, the households specifically seeking shared ownership had higher incomes (80% had gross annual incomes of £60,000 or more);
- The Council does not consider First Homes to be a suitable form of affordable housing for delivery in Camden, and will not seek the inclusion of First Homes in developments in the borough, or expect 25% of affordable homes to take the form of First Homes.

### Emerging Camden Local Plan (Regulation 18 2024)

- 2.38 Camden Council is in the process of updating the Local Plan. The emerging Camden Local Plan is currently in its consultation stage. The Regulation 18 consultation took place in early 2024. Further consultation is anticipated in 2025, with adoption currently anticipated in Spring 2026. At this stage in the plan preparation process, the draft Local Plan policies carry limited weight. However, these will start to carry more weight as the plan moves towards adoption.
- 2.39 Draft Policy H4 (Maximising the supply of affordable housing) confirms targets and the guideline mix will be applied having regard to the London Plan's housing policies and viability threshold approach where applicable. Draft Policy H7 (Large and Small Homes) confirms the Council will take a flexible approach to assessing the mix of dwelling sizes proposed in each development.

### GLA Accelerated Housing Delivery Planning and Practice Note (December 2024)

- 2.40 In December 2024, the GLA published the Accelerated Housing Delivery Planning and Practice Note, which will be a material consideration for the purposes of determining planning applications. In response to a significant drop in both new housing and affordable housing starts in London in recent years, the note sets out a range of initiatives to help incentivise the delivery of housing in London, complementing many of the housing-related principles of the 2024 Autumn Budget, with the alignment between the GLA and Central Government on affordable housing priorities made clear.
- 2.41 The note reinforces the importance of the Fast Track route in delivering housing in London, and there is also clear support for Intermediate Rent; the GLA is introducing measures to encourage delivery by reviewing the income thresholds for intermediate rent housing, meaning they may be subject to further increases (beyond the 2024 revision from £60,000 to £67,000), and introducing flexibility of total housing cost caps and inflation allowances.



## Fast Track Compliance

2.42 The S73 proposals continue to provide 36% affordable housing in a 60/40 tenure split in Phase 1 (Detailed Consent). The Site does not include any industrial or public land. The Proposed Development therefore satisfies the criteria for the Fast-Track threshold approach set out in Policy H5 of the London Plan (2021).

## Housing Need

### London Wide Need

2.43 The London Plan Strategic Housing Market Assessment (2017) demonstrates that London has significant unmet need for affordable housing and has identified that 65% of the need is for affordable housing.

2.44 The London Plan (2021) sets a strategic capacity limited target to deliver at least 26,244 affordable homes across London per annum (50%). The latest London Plan Data Hub (2024) confirms delivery of new affordable housing on a London-wide basis is significantly below the London Plan target with only 31% of the new target being achieved between 2021/22 and 2023/24.

**Table 2.1 - London Net Additional Affordable Housing Delivery (London Plan Data Hub 2024)**

| Total Completions                  | 2021/22 | 2022/23 | 2023/24 | Total  |
|------------------------------------|---------|---------|---------|--------|
| Affordable Homes Target            | 26,244  | 26,244  | 26,244  | 78,732 |
| Affordable Homes Delivered         | 7,607   | 8,478   | 8,418   | 24,503 |
| Proportion of Target Delivered (%) | 29%     | 32%     | 32%     | 31%    |

**There is therefore a significant need to increase the delivery of affordable homes above the current rate of just 22% of new supply to meet London wide housing need.**

### Local Housing Need

2.45 The Camden Strategic Housing Market Assessment (SHMA) (2016) identified an objectively assessed need for 2,040 affordable homes per annum. In accordance with Policy H4 of the London Plan (2021) Camden's housing target is for 50% of all homes to be Affordable Housing (1,334 per annum).

2.46 The London Plan Data Hub (2024) confirms 289 affordable homes were delivered between 2021/22 and 2023/24 equating to 5% of the SHMA target and 7% of the London Plan Target.

**Table 2.2 - Camden Net Additional Affordable Housing Delivery (London Plan Data Hub 2024)**

| Total Completions                              | 2021/22    | 2022/23  | 2023/24    | Total      |
|--|------------|----------|------------|------------|
| <b>Affordable Homes Delivered (GLA AMR 16)</b> | <b>120</b> | <b>1</b> | <b>168</b> | <b>289</b> |
| Camden SHMA 2016 Target                        | 2,040      | 2,040    | 2,040      | 6,120      |
| Proportion of SHMA Target Delivered (%)        | 6%         | 0%       | 8%         | 5%         |

|   |       |       |       |       |
|---|-------|-------|-------|-------|
| Affordable Homes Target (50% of London Plan Target) | 1,334 | 1,334 | 1,334 | 4,002 |
| London Plan Target                                  | 2,668 | 2,668 | 2,668 | 8,004 |
| Proportion of LP Target Delivered (%)               | 9%    | 0%    | 13%   | 7%    |

**There is therefore a clear need to increase the delivery of affordable all types and tenures in Camden to meet boroughwide housing need.**

2.47 In respect of mix, the Camden Strategic Housing Market Assessment (SHMA) (2016) identified that there was a significant unmet need for larger social-affordable rented tenures due to the high level of overcrowding in existing social housing (the 2021 Census showed 31% of LBC households were overcrowded based on bedroom occupancy).

**There is therefore a clear un-met need for the delivery of larger low cost rented homes in the borough to meet priority needs.**

2.48 The 2016 SHMA did not identify a need for intermediate housing due to the definitions being used at the time (as noted in CPG2). Since the preparation of the 2016 SHMA, national planning policy has been updated to confirm affordable housing need must include the number of households from other [non affordable] tenures in need (i.e those living in unsuitable privately rented homes) and those that cannot afford their own homes, either to rent or to own, where that is their aspiration.

2.49 Furthermore, house prices and private rents have increased substantially in Camden in recent years. The combined household income required to access a good quality suitable private home is in excess of £70k for private rent and £100k for private sale in many parts of the borough including the West Hampstead Ward.

2.50 Consequently, there are now a very large number of ‘squeezed middle’ households who have incomes which mean they are unable to afford to buy or rent a good quality suitable home but would be unlikely to be allocated social housing which is prioritised for those households with lower incomes (up to c.£30k).

2.51 This has resulted in increased demand and pressure on the private rented sector (PRS) housing evidenced by the high levels of private rented homes compared to London as a whole (25% compared to 24% respectively). The existing rental offer is however insufficient in scale, availability, quality and affordability to meet local need.

2.52 Whilst these households would be eligible for intermediate housing less than c.1% of existing housing in both the borough and ward is presently intermediate (few of which are understood to be intermediate rental properties). The majority of existing intermediate rented housing (‘Existing IR’) delivered to date have also typically targeted lower incomes of c.£30-£50k households as confirmed in the Council’s recently published Draft Statement on Intermediate & First Homes (2021).

- 2.53 Lack of good quality private rental housing and intermediate housing options for households, including those which target dual income households with incomes from c.£50k-£90k (c.£25-45k per person on average) is contributing to a range of local housing issues including:
- Loss of young working age people and families / break up of existing communities – housing costs are reported to have been a factor in the declining enrolment in local schools, leading to their closure;
  - Difficulty attracting/ retaining workers (inc key frontline workers such as doctors) having a negative impact on local business and delivery of front line services;
  - Increased pressure & overcrowding in lower quality/ insecure buy-to-let rental housing which is typically unsuitable;
  - Increased pressure on the conversion of suitable family homes to flats to meet growing demand.
- 2.54 Increasing numbers on the Council’s intermediate waiting list who are unlikely to be allocated a home.
- 2.55 This is particularly prevalent for households in the West Hampstead Ward (where house prices are very high). Many of these households are likely to be key workers comprising dual income households with entry level wages (Table 2.3) or single income households earning median incomes (Table 2.4).

**Table 2.3 – Key Worker Incomes (Dual Income)**

| Occupation          | Entry Level Single Income (ASHE 2024) | Dual Household Income Illustration |
|---------------------|---------------------------------------|------------------------------------|
| Police Officer      | £32,400                               | £64,800                            |
| Health Professional | £43,335                               | £86,710                            |
| Teacher             | £25,814                               | £51,628                            |

**Table 2.4 – Key Worker Incomes (Single Income)**

| Occupation                      | Median Single Income (ASHE 2024) |
|---------------------------------|----------------------------------|
| Train/ Tram Driver              | £63,958                          |
| Higher Education Teacher        | £52,583                          |
| Police Officer                  | £46,901                          |
| Rail Transport Operative        | £52,727                          |
| Health & Social Service Manages | £45,666                          |

**There is therefore a clear un-met need for local households who earn combined dual household incomes between c.£50-£90k (c.£25-45k per person on average), particularly including key workers.**

## Further Information

- 2.56 Further details of the Site, the Proposed Development and relevant planning policy considerations are set out in the Planning Statement.

## 3 Affordable Housing Proposals

3.1 This Section of the Statement provides the Affordable Housing proposals and analysis against relevant policy and other material planning considerations.

### Quantum

3.2 The S73 application maintains 36% Affordable Housing by floor area (GIA) in Phase 1 the Detailed Elements. The affordable housing by habitable room in Phase 1 also remains 38% by habitable room.

3.3 The breakdown of units and habitable rooms in the detailed element of the scheme is provided in Table 3.1 below. This will be secured in the amended S106 agreement.

**Table 3.1 – Affordable Housing Amount (Detailed Scheme)**

| Type         | Units      | Habitable Rooms | % Habitable Room | Floor Area (GIA SQM) | %Floor Area (GIA SQM) |
|--------------|------------|-----------------|------------------|----------------------|-----------------------|
| Private      | 439        | 1,079           | 62%              | 40,283               | 64%                   |
| Affordable   | 212        | 671             | 38%              | 22,275               | 36%                   |
| <b>Total</b> | <b>651</b> | <b>1,750</b>    | <b>100%</b>      | <b>62,558</b>        | <b>100%</b>           |

3.4 The affordable housing requirement to be maintained for the outline element of the scheme is provided in Table 3.2 below. This will continue to be secured in the amended S106 agreement.

**Table 3.2 – Affordable Housing Amount (Outline Parameters)**

| Type         | % Habitable Room | % Floor Area (GIA) |
|--------------|------------------|--------------------|
| Private      | 65%              | 65%                |
| Affordable   | 35%              | 35%                |
| <b>Total</b> | <b>100%</b>      | <b>100%</b>        |

3.5 The quantum of affordable housing is appropriate having regard to the following factors:-

- **Local Plan:** The proposals fully accords with Policy H4 of the Camden Local Plan due to financial viability considerations as evidenced in the FVA submitted with the application.
- **London Plan:** The proposals satisfy the requirements of the 35% Fast Track Threshold Approach set out in Policy H5 of the London Plan (2021).
- **Review Mechanisms:** The inclusion of an early-stage viability review will, if it is triggered, provide an opportunity for the quantum of affordable housing to increase up to 50% (subject to delivery timescales and future viability).
- **Housing Need:** The provision of 212 new affordable homes in Phase 1 equates to c. 16% of LBC's annual affordable housing target, c.3% of the total household waiting list, and 1.6x the number of affordable homes that have been delivered in the Borough since 2021. It will therefore make a very important contribution to meeting both local and strategic affordable housing need, in a climate where very few affordable homes have been delivered in recent years.

- **Grant Subsidy:** Whilst the applicant may seek grant funding, the provision of 35% in the planning consent is not contingent within the S106 planning agreement on the receipt of funding.

## Tenure Split

3.6 The S73 proposals continue to provide 60% Low-Cost Rent and 40% Intermediate measured by floor area (GIA) in the Phase 1 Detailed and Outline Elements of the scheme. The breakdown of units and habitable rooms in the Detailed Element of the scheme is provided in Table 3.3 below. This will be secured in the S106 agreement.

**Table 3.3 – Tenure Mix (Detailed Scheme)**

| Type          | Units      | Habitable Rooms | % Habitable Room | Floor Area (GIA) | % Floor Area (GIA) |
|---------------|------------|-----------------|------------------|------------------|--------------------|
| Low-Cost Rent | 115        | 407             | 61%              | 13,493           | 60%                |
| Intermediate  | 97         | 264             | 39%              | 8,782            | 40%                |
| <b>Total</b>  | <b>212</b> | <b>671</b>      | <b>100%</b>      | <b>22,275</b>    | <b>100%</b>        |

3.7 The quantum of tenure mix of affordable housing is appropriate having regard to the following development plan policies and other relevant material considerations: -

- **Local Plan:** The proposed tenure mix complies with Camden Local Plan Policy which requires 60% Social or Affordable Rented Housing and 40% Intermediate by floor area (GIA).
- **London Plan:** The proposed tenure mix complies with the Policy H7 (Affordable Housing Tenure) of the London Plan (2021) which requires a minimum of 30% London Affordable Rent.
- **Housing Need:** The provision of 60% Low-Cost Rent will make a significant contribution to meeting the priority needs of low-income households including vulnerable households (there are over 7,600 households on the council’s waiting list, ONS 2021). It is a significant benefit noting Build-to-Rent schemes are not required to provide any social rented homes by national or regional policy. The intermediate homes will meet the growing needs of ‘squeezed middle’ households who cannot afford to buy or rent a good quality suitable home but would be very unlikely to be allocated an existing low-cost rent home (e.g. key frontline workers).
- **Balanced Community:** The proposed tenure mix will support a more mixed and balanced community, in an area which presently has less than 1% intermediate housing, build community cohesion and enhance individuals’ life chances in accordance with the objectives of the Council’s intermediate housing strategy.

## Unit Size Mix

3.8 The S73 proposals continue to provide a mix of affordable housing unit sizes including c.45-57% family sized (3 bedroom+) low-cost rent homes. The mix is set out in Table 3.4 below. This will be secured in the S106 agreement.

**Table 3.4 – Unit Size Mix (Detailed Scheme)**

|                   | Studio | 1 Bed | 2 Bed | 3 Bed | Total      |
|-------------------|--------|-------|-------|-------|------------|
| Low-Cost Rent     | 0      | 4     | 45    | 66    | <b>115</b> |
|                   | 0%     | 3%    | 39%   | 58%   | 100%       |
| Intermediate Rent | 0      | 39    | 46    | 12    | <b>97</b>  |
|                   | 0%     | 40%   | 48%   | 12%   | 100%       |

3.9 The unit size mix of affordable housing is appropriate having regard to the following factors:

- **Local Guidance:** The provision of c.57% family sized low-cost rent housing and priority for a smaller mix of intermediate homes is closely aligned with the preferences set out in CPG2. CPG 2 also notes that where a high proportion of social-affordable rented homes are proposed it may often be appropriate to have a high proportion of smaller intermediate homes to manage child density.
- **Housing Need:** The provision of c.45-50% family sized low-cost rent housing will make a significant contribution to meeting un-met needs of overcrowded social rented households (19.3% of LBC households, Census 2011). The provision of smaller intermediate units will also meet the needs of the majority of households on the Council's Intermediate Housing Register.
- **Design & Viability:** The mix of unit sizes supports the viability of the scheme. Any changes (i.e. additional larger homes) could result in a less efficient scheme constraining viability and the quantum of Affordable Housing that can be provided.

## Products & Eligibility

3.10 No changes are proposed to the products or eligibility in Phase 1 as part of the S73 scheme. Phase 1 (Detailed Element) of the scheme continues to propose a mix of affordable housing products including London Affordable Rent (LAR) or Social Rent (SR) and Intermediate Rent (IR). The proposed products and eligibility for Phase 1 (Detailed Element) of the Proposed Development are set out in Table 3.5 below. This will continue to be secured through the S106 agreement. The maximum combined income has been updated accordingly to align with the latest London Plan Annual Monitoring Report (AMR).

**Table 3.5 – Detailed Element Products & Eligibility**

| Tenure        | Product                               | Eligibility   |
|---------------|---------------------------------------|---|
| Low-Cost Rent | London Affordable Rent Or Social Rent | Homes are allocated to households on low incomes in accordance with need (based on the Council's Housing Allocation Scheme)       |
| Intermediate  | Intermediate Rent                     | Homes prioritised to households on the Council Intermediate Waiting List with a maximum combined income of £67,000 (index linked) |

3.11 The products in the Outline Element of the Proposed Development will be the same.

3.12 The proposed affordable housing products in both the Detailed Elements of the Proposed Development are appropriate having regard to the following factors:

- **Local Plan:** Policy H4 allows the low-cost rental element of the scheme to be London Affordable Rent.
- **London Plan:** Policy H4 of the London Plan confirms that the low-cost rent element can be entirely London Affordable Rent. This is also confirmed in the Mayors Housing Strategy (2018).
- **Local Guidance:** CPG2 confirms the Council will support the provision of London Affordable Rent homes as a form of social-affordable rented housing. It also confirms (para 3.11) that Intermediate homes are expected to be Intermediate Rent let in accordance with the Intermediate Rent Strategy.
- **Housing Need:** Local Housing Need evidence demonstrates there is a clear need for both Low-Cost Rent homes (due to existing waiting lists and levels of overcrowding) and intermediate tenures including Intermediate Rent (due to increasing numbers who cannot afford to buy or rent).
- **Financial Viability:** The proposed products support the financial viability of the scheme. Any reduction in rental income would require the quantum and or tenure mix to be adjusted.

## Affordability

3.13 No material changes are proposed to the products or affordability as part of the S73 scheme. The London Affordable Rent (LAR) homes will continue to be let at rents set and prescribed by GLA. The Intermediate Rent homes will continue to be set at a range of discounts. This will be secured in the S106 Agreement.

**Table 3.6 – Product Rent Setting**

| Product                | Rents   |
|------------------------|---|
| London Affordable Rent | Set at benchmark levels published by the GLA in the Affordable Homes Programme 2016 Indexed by CPI + 1% |
| Social Rent            | National rent regime adopting target and capped rents as appropriate.                                   |
| Intermediate Rent      | Set at fixed rent subject to indexation.  |

3.14 Homes let at Social Rent or London Affordable Rent will be affordable to households who may be reliant on welfare income.

3.15 The intermediate rents are set out in Table 3.7 below. The rent levels have been updated to align with current London Living Rent levels. These rents will continue to be secured in the amended S106 agreement are provided in Table 3.7 (subject to inflationary adjustments from the date of the original S106 agreement).

**Table 3.7 – Indicative Product Rents**

|                   | 1 Bed    | 2 Bed    | 3 Bed    |
|-------------------|----------|----------|----------|
| Intermediate Rent | £287 P/W | £318 P/W | £350 P/W |

3.16 The indicative minimum incomes required to afford the above intermediate rents is set out in Table 3.8 below.

**Table 3.8 – Intermediate Rent Indicative Incomes**

| Household Type | 1 Bed   | 2 Bed   | 3 Bed   |
|----------------|---------|---------|---------|
| Dual Income    | £53,000 | £59,000 | £65,000 |
| Single Income  | £26,500 | £29,500 | £32,500 |

3.17 The proposed affordability is appropriate having regard to the following:

- **Local Guidance:** CPG2 confirms London Affordable Rent should be set in accordance with the benchmark levels published by the GLA. It also confirms that Intermediate rent should be set at a range of rents appropriate to the particular homes ensuring they are affordable to households with gross annual household incomes of no more than £67,000 per year (as updated) with a preference for lower incomes.
- **London Plan:** The proposed low-cost rents are in line with those set by the GLA in accordance with the London Plan. The intermediate rents are considerably below 80% of Market Rent and will be affordable to households with incomes below £67,000. They therefore meet the definition of genuinely affordable set out in the London Plan and the Mayor’s Housing Strategy (as updated in the London Plan AMR).



- **National Policy:** National planning policy confirms an appropriate benchmark for discounted (intermediate) rental products is a 20% discount to market rent.
- **Affordability:** Both the low-cost rent and intermediate rents are substantially less than market rents and conventional Affordable Rents. The intermediate rental homes are also significantly more affordable than private sale equivalents.
- **Financial Viability:** The proposed rents support the financial viability of the scheme. Any reduction in rental income would require the quantum and or tenure mix to be adjusted.
- **Management:** The proposed rents have been discussed with the Council’s Strategic Registered Providers of Affordable Housing.
- **Housing Need:** The proposed low-cost rent homes will meet the needs of low-income households on the Council's waiting list who may be reliant on welfare income. The intermediate homes will meet the needs of local households who can’t afford to buy and/ or rent a good quality suitable home locally and who are unlikely to be allocated low-cost rent housing or intermediate rent delivered elsewhere in the borough (e.g key workers or families with two low incomes).

## Design & Management

### 3.18 No changes are proposed to the approach to design and management.

3.19 All homes in Phase 1 (Detailed Element) continue to be designed so they are tenure blind, meet or exceed the design standards set out in the London Plan (March 2021) and are suitable for management by a Registered Provider. The design and management proposals for Phase 1 (Detailed Element) of the scheme are summarised in Table 3.9 below. This will continue to be secured in the S106 agreement.

**Table 3.9 – Management Proposals**

| Product                                     | Design                    | Management  |
|---|---------------------------|---|
| London Affordable Rent<br>Or<br>Social Rent | Tenure Blind<br>10% M4(3) | Camden Registered Provider<br>Any other approved Registered Provider  |
| Intermediate                                | Tenure Blind<br>10% M4(3) | Camden Approved Strategic Provider<br>Any other approved Registered Provider<br>Any other approved BtR Operator |

3.20 The design and management of affordable housing is appropriate having regard to the following factors:

- **Tenure Blind** The proposals accord with CPG2 which confirms affordable homes should be tenure blind using a common design approach, with high quality materials and finishes throughout.
- **Equality:** All homes will be tenure blind and all residents will have the opportunity to access the same high-quality amenities and open space. The affordable housing will include 10% wheelchair accessible housing to M4(3) standards.
- **Affordability:** The Proposed Development has also been designed to ensure estate service charges are as affordable as possible, whilst allowing all residents the right to

access on-site amenities. This also accords with the requirements of CPG2 which requires service charges to be kept to a minimum for the affordable housing by avoiding shared communal areas and services (which cannot be cross subsidised as set out in law).

- **Management** The applicant has designed the Proposed Development in consultation with the Council’s partnerships team and Approved Strategic Provider including Origin/PfP. This ensures the affordable homes meet the requirements of the Council, housing providers and future occupiers as also set out in CPG2.
- **National Policy:** The NPPF indicates that affordable housing for rent does not need to be managed by a Registered Provider where it forms part of a Build to Rent scheme. For this reason, the CIL regulations permit Intermediate Rent to be owned by providers who may not be Registered Providers.

## Distribution & Phasing

### 3.21 No changes are proposed to the approach taken to phasing and distribution in Phase 1 (Detailed Element).

3.22 The affordable housing will continue to be distributed across the Site to provide a mixed and balanced community. The location of the affordable housing is set out in Table 3.10 below. This will be secured in the S106 agreement.

**Table 3.10 – Distribution (Detailed Element)**

| Block        | Private Units | Low-Cost Rent | Intermediate | Total Units |
|--------------|---------------|---------------|--------------|-------------|
| N3           | 77            | 0             | 0            | 77          |
| N4           | 0             | 115           | 97           | 212         |
| N5           | 362           | 0             | 0            | 362         |
| <b>Total</b> | <b>439</b>    | <b>115</b>    | <b>97</b>    | <b>651</b>  |

3.23 The Illustrative Phasing Plan (ref: 19066\_X\_(00)\_P008\_P02) indicates the expected phasing. The exact location of the affordable homes in the Outline Element of the Proposed Development will be determined subject to each reserved matters application.

3.24 The Proposed Development will be phased to ensure that all of the affordable housing is delivered proportionally on a phase-by-phase basis. At the end of each phase, the Proposed Development will have provided 35% affordable housing. This has been and will continue to be secured in the S106 legal agreement.

3.25 The distribution and phasing of affordable housing is appropriate having regard to the following factors: -

- **Local Guidance:** The delivery of affordable homes before all of the market homes accords with the objectives set out in CPG2.
- **Residential Amenity:** The layout of the Proposed Development seeks to optimise residential amenities for all tenures, and avoids concentrating affordable housing close to potential sources of disturbance. This also accords with the requirements of CPG2.

**Management:** The distribution of homes has been determined in collaboration with the Council's approved Strategic Registered Providers including Origin, One Housing and Notting Hill Genesis.

## Grant Funding

**3.26 No change is proposed to the approach taken to grant funding.**

3.27 Whilst the applicant may seek grant funding, the commitment made in the amended planning consent to 36% Affordable Housing in Phase 1 (Detailed Consent) will not be made contingent on the receipt of funding (i.e the S106 agreement will not seek a lower quantum where grant is unavailable). This provides certainty the scheme will provide a minimum of 36% (by GIA) and complies with the requirements of the Threshold Approach (Fast Track) of Policy H5 of the London Plan (2021).

## Review Mechanism

**3.28 No change is proposed to the approach taken to review mechanisms.**

3.29 In accordance with Policy H5 (Threshold Approach) of the London Plan (2021) the applicant will continue to commit to an Early-Stage Viability Review. Therefore, if there is a delay in the commencement of development there is the opportunity for the provision of affordable housing to increase subject to future market conditions and delivery timescales. This will be secured in the S106 Legal Agreement.

## Severability

3.30 The updated severability plan shows the extent of the severable area within Plot S8 within the Outline Element West. It is the applicants' firm intention to deliver this plot in accordance with the approved parameter plans through the submission of reserved matters pursuant to the hybrid planning permission. This will maximise the public benefits that will result from the development. However, it is recognised that an extant planning permission (ref PWX0202103), together with an extant section 73 permission (ref. 2023/1292/P) (the "Builder's Merchant Scheme"), exist in relation to this part of the Site, and as a consequence, this area has been identified as a severable plot. In order to ensure a robust approach, an assessment has been made of the environmental impacts that would potentially arise in the event that the Builder's Merchant Scheme is brought forward under those existing extant planning permissions rather than pursuant to reserved matters under the O2 Masterplan development.

3.31 Since the relevant area of Plot S8 falls outside of Phase 1, this would have no bearing on the obligation secured within the S106 agreement for the Phase 1 scheme to deliver 36% of the remaining GIA as Affordable Housing.

## 4 Conclusion

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- 4.1 This Statement demonstrates that the amount, type and mix of affordable housing proposed in Phase 1 (Detailed Element) as a result of the S73 planning application is appropriate for the Site and the Proposed Development is in accordance with the statutory Development Plan.
- 4.2 The Affordable Housing proposals in Phase 1 (Detailed Element) continue to comprise 36% Affordable Housing (by floorspace) including 60% Low-Cost Rent and 40% Intermediate (by floorspace). The Low Cost Rented homes will include 57% family sized (3 Bed+) homes in the Detailed Element alongside a smaller mix of intermediate homes. This is an enhancement compared to the Original Consent.
- 4.3 The provision of 212 new affordable homes within Phase 1(Detailed Element) equates to c.16% of LBC's annual London Plan affordable housing target. It will therefore make a very important contribution to meeting both local and strategic affordable housing need of which very little has been met in recent years.
- 4.4 The Low-Cost Rent homes will be provided at London Affordable Rents or Social Rent. This will make a significant contribution to meeting the priority needs of low-income households including vulnerable households (there are presently over 7,600 households on the council's waiting list, ONS 2024). This is a significant benefit noting Build-to-Rent schemes are not required to provide any social rented homes by national or regional policy.
- 4.5 The Intermediate Homes will be provided as Intermediate Rent, targeting a range of incomes and prioritising those who live and/or work in the borough in accordance with the objectives of the Council's Intermediate Rent Strategy. The intermediate homes will meet the growing needs of 'squeezed middle' households who cannot afford to buy or rent a good quality suitable home in the borough due to pricing pressures but would be very unlikely to be allocated an existing low-cost rent home (e.g. key frontline workers).
- 4.6 The applicant has designed the Proposed Development in engagement with Origin PfP who are one of the Council's approved Strategic Registered Providers. This ensures that affordable homes meet the requirements of the Council, housing providers and future occupiers as also set out in CPG2.
- 4.7 Whilst the applicant may seek grant, the provision of 36% affordable housing within the planning consent will not be made contingent on grant. Mechanisms secured in the S106 agreement will enable the amount of affordable housing to be increased further subject to future delivery timescales and viability.
- 4.8 Overall, this Statement demonstrates the S73 affordable housing proposals for Phase 1 (Detailed Element) are appropriate for the Site in accordance with relevant planning policy and other material considerations. The Affordable Housing proposals will make a significant contribution to meeting both local and strategic housing need and must therefore be afforded substantive positive decision weight in the overall balance.