

79 CAMDEN ROAD
& 86-100 ST PANCRAS WAY
affordable housing statement

November 2013



by CBRE

CONTENTS

1.0 Policy Overview 3

2.0 Proposed Affordable Housing Provision 5

1.0 Policy Overview

POLICY OVERVIEW

- 1.1 This Affordable Housing Statement has been prepared by CBRE Ltd on behalf of Barratt West London (“BWL”) (“the applicants”) to accompany the detailed planning application for the redevelopment of 79 Camden Road and 86-100 St Pancras Way. It seeks to outline the affordable housing provision within the application.
- 1.2 Policy 3.11 of the London Plan states that boroughs “should seek to maximise affordable housing provision and ensure an average of at least 13,200 more affordable homes per year in London over the term of this Plan” (2011-2021). The policy also states that boroughs “should set an overall target in LDFs for the amount of affordable housing provision needed over the plan period in their areas and separate targets for social rented and intermediate housing”.
- 1.3 Policy 3.13 of the London Plan sets a normal affordable housing provision threshold of sites with capacity to provide 10 or more units.
- 1.4 In negotiating the provision of affordable housing on individual sites, Policy 3.12 of the London Plan states that “negotiations on sites should take account of their individual circumstances including development viability, the availability of public subsidy, the implications of phased development including provisions for reappraising the viability of schemes prior to implementation (contingent obligations), and other scheme requirements
- 1.5 The LBC Core Strategy, Development Policies DPDs and Supplementary Planning Guidance set out the targets and criteria used by the Council to assess the appropriate contribution to affordable housing from each development. These include:
 - An overall borough target equivalent to 220 additional affordable homes per year;
 - Seeking to achieve 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 and inclusive communities; and
 - An affordable housing target for specific developments of 50% of additional residential floorspace.
- 1.6 When negotiating on individual schemes, Camden calculates the proportion of housing each category (market / social rented / intermediate) in terms of floorspace (gross) and sets guidelines of 60% social rented and 40% intermediate housing (Policy CS6). The Core Strategy and Development Policy (DP3) outline that the Council will consider many other characteristics of the development, the site and area when negotiating the proportion of affordable housing in specific schemes which include:
 - Access to public transport, workplaces, shops, services and community facilities
 - The character of the development, the site and the area
 - Site size, and constraints on including a mix of market and affordable tenures
 - Development economics, financial viability, and particular costs

1.0 Policy Overview

- 1.7 This is in line with paragraph 173 of the NPPF which states that “To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.

2.0 Proposed Affordable Housing Provision

PROPOSED AFFORDABLE HOUSING PROVISION

- 2.1 The scheme will provide a total of 166 residential units of which 84 will be affordable units. This equates to 50% of the GEA floorspace which is split between 60% Affordable Rent and 40% Intermediate units (Net Internal Area).
- 2.2 The quantum of affordable housing and tenure split proposed therefore fully complies with the London Plan and LB Camden’s policies and is a significant benefit of the scheme proposals.
- 2.3 The approach to the affordable housing provision has been carefully considered having regard to the design, layout and location of the units as well as discussions with national Registered Providers (RPs) who operate within the Borough.
- 2.4 The proposals have focussed on providing a mix of unit sizes including new family sized affordable rented homes which form the highest housing need in the borough. As a result the proposed development provides the optimum mix that will provide for a sustainable and balanced community that will be effectively and appropriately managed, whilst ensuring the Council’s affordability thresholds are met and overall development viability is achieved. The proposed units are of a high quality design and are located in the part of the site most appropriate for family accommodation.
- 2.5 The mix and size of the affordable units provided has been corroborated by a financial viability appraisal undertaken by Strutt & Parker. The viability assessment demonstrates that, when taking account of matters such as development costs, values, the types of housing to be provided in terms of mix and tenure and the need to overcome the constraints on the site and contribute towards the LBC Camden Planning Obligations Supplementary Planning Document (SPD), the proposed scheme provides the optimum quantum and mix of affordable housing.
- 2.6 Due to the management requirements and higher maintenance costs requirements associated with affordable housing, along with the legal provisions that prevent the cross subsidy of service charges from market housing, it is not possible to provide mixed tenure buildings with shared common service arrangements. The provision of separate cores is also significantly constrained due to the size and configuration of the site and would lead to a less efficient layout which would impact on the overall viability of the development. As a result, this leads to the need to separate the market and affordable housing units across the scheme.
- 2.7 Management and maintenance constraints as well as service charge costs also have implications for the location of the affordable tenures within separate blocks. For the most part RPs prefer for management and value reasons to have core separation for Rented and Intermediate accommodation. Where rented and intermediate units share cores this can have a negative impact on the intermediate values and therefore on the package price that an RP will be able to offer.
- 2.8 Notwithstanding the above, the approach to the location and distribution of the affordable units has evolved in discussion LBC and the scheme has been revised in order to provide greater integration between the tenures. All of the new build residential units have been designed to be ‘tenure blind’ with the same quality of materials and finishes. As a result it is considered that the proposed layout and distribution of units provides the optimum solution for the site and will create a mixed and inclusive community.

2.0 Proposed Affordable Housing Provision

2.9 The Council’s Housing Planning Guidance (CPG2) acknowledges that the Government has reduced the amount of public funding available for affordable housing and that if public subsidy is not available the proportions of affordable housing anticipated by the Core Strategy and Development Policies will not be viable in all developments. This is evidenced by the Council’s Affordable Housing Viability Study (2009) which estimated that available affordable housing payments have typically reduced by 20% if no public subsidy is available. However, since the date of that publication the amount of subsidy available has reduced even further and since the Comprehensive Spending Review in October 2010 and the subsequent adoption of the Affordable Rent tenure the HCA framework 2011 does not in principle allocate any grant funding to S.106 affordable housing and indeed no grant at all for intermediate and social rent housing even if out with a S.106 agreement. This removal of grant funding has severely hampered the viability of residential schemes across London and impacted on the deliverability of affordable housing. Accordingly the proposed scheme will make a significant contribution to meeting the housing needs of the Borough.