

Highgate Newtown Community Centre and
Fresh Youth Academy

Affordable Housing Statement

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Community Investment Programme

 Camden



Highgate Newton Community Centre and Fresh Youth Academy, 25 Bertram Street, London N19

Affordable Housing Statement

Iceni Projects Limited on behalf of
London Borough of Camden
(Property Services)

November 2016

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ICENI PROJECTS LIMITED
ON BEHALF OF LONDON
BOROUGH OF CAMDEN
(PROPERTY SERVICES)

**Highgate Newton Community Centre
and Fresh Youth Academy, 25 Bertram
Street, London N19 5DQ**

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1. INTRODUCTION

- 1.1 This Statement has been prepared on behalf of the London Borough of Camden in support of an application for the redevelopment of the Highgate Newtown Community Centre and Fresh Youth Academy, at 25 Betram Street, London, N19 5DQ to deliver replacement community facilities for the existing tenants to be cross funded by the delivery of 31 new homes for sale.
- 1.2 The overarching objective for the development proposals is to provide new fit for purpose community buildings for the Highgate Newton Community Centre (HNCC) and the Fresh Youth Academy (FYA) to ensure both of these valuable community facilities can be retained on the site in a manner which reflects the changing nature of community funding into the future. This includes the provision of rentable community space within the HNCC to provide a revenue stream for long-term financial viability and to increase the size of the FYA to allow it to become a local youth service hub.
- 1.3 The proposed scheme is a Council-led development that forms part of the Community Investment Programme (CIP). The CIP is a 15-year plan led by the Council in order to generate funding to invest in schools, homes and community facilities. It was initiated following reductions in government funding and brings together a wide range of work that considers how best to use the Council's assets to improve, shape and transform key places and services within Camden. The CIP involves the selling or redevelopment of properties that are out of date, expensive to maintain, are underused or difficult to access. This enables the Council to generate funds that would not otherwise be available to ensure the best use of made of Council-owned assets to deliver on the needs and priorities for local communities across the Borough.

This Statement

- 1.4 This Statement has been prepared to provide an overview of the approach to affordable housing provision within the proposed development as well as providing justification for the residential element of the proposals as enabling development. In line with Camden requirements the Affordable Housing Statement sets out the following information:
- The number of residential units;
 - The mix of residential units including the number of habitable rooms/bedrooms and/or the floorspace of habitable areas;
 - Floorplans showing the location of residential units and the number of habitable rooms/bedrooms and/or the floorspace of habitable areas;
 - The different levels or types of affordability or tenure for the different units (where applicable).

- 1.5 This Statement should be read in conjunction with the supporting Planning Statement, the Design and Access Statement and the architectural drawings which provide further clarification in respect of the residential elements of the scheme.

2. PROPOSED DEVELOPMENT

- 2.1 The scheme involves the demolition of existing buildings on site (except for the People's Mission Gospel Hall) and the construction of four new buildings arranged around a central public courtyard area. The height of the buildings varies, ranging from one to five storeys. A soft and hard landscaping scheme for the public domain will create a functional and high quality space, with the permeability of the site enhanced to encourage greater pedestrian footfall between Bertram Street and Croftdown Road.
- 2.2 The intent of the proposals is to deliver a cross subsidising scheme where the revenue gained from the sale of the market units directly fund the replacement community buildings and wider public realm improvements. The proposals will therefore provide a number of benefits including the provision of a number of high quality new homes, the future-proofing of important and valued community facilities and the delivery of high quality public domain improvements, ensuring the long-term viability of the site.
- 2.3 Further information regarding the development proposals are described below.

Land Use

- 2.4 The proposed development would result in the net increase of residential (Class C3) and community (Class D1) floorspace. The floorspace schedule highlighting this change in floorspace is listed in Table 3.1.

Table 2.1 Existing Versus Proposed Floorspace Schedule

Use	Existing sq. m (GIA)	Proposed sq. m (GIA)	Net Change sq. m (GIA)
Residential (Class C3)	154	3,258	+3,104
Community Centre (Class D1)	1,701	2,161	+460
Total	1,855	5,419	+3,564

Re-provision of Community Facilities

- 2.5 A key part of the proposals is the retention and enhancement of the existing HNCC and FYA community facilities located on site. These enhancements will ensure both facilities meet the needs of the local community and are fit-for-purpose in the long term.
- 2.6 Rentable community space will also be provided as part of the community floorspace, which can be rented out to a range of local groups and individuals. The revenue from this will provide a lasting income source for the HNCC and FYA ensuring their long-term viability.
- 2.7 The existing floorspace of these community facilities total 1,701 sq. m GIA, with the proposals providing a total of 2,161 sq. m GIA, resulting in a net increase of 460 sq. m GIA. However, the majority of the uplift is from ancillary space. The difference in rentable floorspace is therefore lower, with an agreement reached between the HNCC and FYA regarding rentable floorspace use.
- 2.8 Both the HNCC and FYA will take advantage of the central courtyard area, which has been designed to be flexible to accommodate a range of potential community activities in this space.

Temporary Provision of Services During Construction

- 2.9 The existing HNCC and FYA will be closed during the construction of the development. The services and activities run by each centre will be distributed across local alternative facilities and continue during the construction period.

Housing

- 2.10 31 high quality market residential units will be provided by the scheme, totalling an area of 2,943 sq. m GIA. The mix of units include the provision of 8 one bedroom units (25.8% of the mix), 13 two bedroom units (41.9% of the mix), 8 three bedroom units (25.8% of the mix) and 2 four bedroom units (6.5%).
- 2.11 The proposed housing is 100% private, with no affordable housing proposed. This decision has been reached as part of the overall viability objectives of the scheme, with the income gained from the sale of the private homes being reinvested into developing the community facilities upgrades and public realm improvements.

Two existing rented flats will be lost as part of the proposals, with the re-development of the site resulting in a net-increase of 29 dwellings on site.

Table 2.1 – Residential Mix

Unit Size	Number	Percentage
1 bedroom	8	25.8%
2 bedroom	13	41.9%
3 bedroom	8	25.8%
4 bedroom	2	6.5%
TOTAL	31	100%

Public Realm

- 2.30 The public realm will be enhanced on site through a soft and hard landscaping scheme. An improved internal courtyard is proposed in the heart of the site and the existing community garden is to be re-provided on the rooftop of the new community building.
- 2.31 The central courtyard has been designed to be an adaptable space, allowing the public, users of the community facilities and residents to use the space, including for external activities in relation to the community centre's services. A range of embellishments will therefore be provided, including seating, lighting and cycle hoops.
- 2.32 A major component of the public realm improvements is the opening up of the site, increasing its permeability for pedestrians and cyclists. This includes the provision of a dedicated north-south pedestrian and cycle link from Bertram Street to the north to Croftdown Road in the south. This represents an improvement to the current narrow, underutilised pathway connecting the site to Croftdown Road which suffers from poor natural surveillance.

Parking, Access and Servicing

- 2.33 The proposed development will be car-free and the overall access arrangements for non-car modes of transport will be improved. This includes the provision of a north-south shared cycle and pedestrian route through the site. Cycle parking will be provided at a policy compliant level of 60 secured and covered long-stay spaces and 22-short stay spaces.

3. RELEVANT PLANNING POLICY

3.1 In accordance with Section 38 (6) of the Planning and Compulsory Purchase Act 2004, applications are to be determined in accordance with the development plan unless other material considerations indicate otherwise. The development plan relevant to this site is comprised of the following documents:

- National Planning Policy Framework (NPPF) (adopted March 2012);
- Consolidated London Plan (adopted March 2015);
- Camden's Core Strategy (adopted November 2010);
- Camden's Development Plan Policies (adopted November 2010).

3.2 Policies contained within the development plan which are relevant to the assessment of affordable housing provision are as follows:

- London Plan Policies;
 - 3.12 – Negotiating affordable housing on individual private residential and mixed use schemes;
 - 3.13 – Affordable housing thresholds
- Camden Core Strategy Policy CS6
- Camden Development Policies DP3

3.3 The London Plan seeks to ensure that an appropriate level of affordable housing is provided as part of London's future growth. Policy 3.12 states that the maximum reasonable amount of affordable housing should be sought when negotiating on individual private residential and mixed use schemes.

3.4 At a local level, Core Strategy policy CS6 seeks to ensure high quality affordable housing is secured. Policy DP3 of the adopted Development Policies notes that the Council will expect all residential developments with a capacity for 10 or more additional dwellings to make a contribution to the supply of affordable housing. Policy DP3 states that the Council will negotiate the development of individual sites to seek the maximum reasonable amount of affordable housing on the basis of an affordable housing target of 50% of the total addition to housing floorspace on mixed use schemes.

3.5 The proposal will provide 31 new residential units (a net increase of 29 units), all of which will be for private sale. Paragraph 6.22 of Core Strategy Policy CS6 identifies that the financial viability of the

development is a key consideration when Council seeks affordable housing. This is also listed as a key consideration under emerging Policy H4 of the draft Local Plan.

4. AFFORDABLE HOUSING ASSESSMENT

- 4.1 This project is being led by the London Borough of Camden (Property Services). The overarching objective for the development is the provision of new fit for purpose community buildings for the Highgate Newton Community Centre (HNCC) and the Fresh Youth Academy (FYA) to ensure both of these valuable community facilities can be retained on the site in a manner which reflects the changing nature of community funding into the future. This includes the provision of rentable community space within the HNCC to provide a revenue stream for long-term financial viability and to increase the size of the FYA to allow it to become a local youth service hub.
- 4.2 The proposal will provide 31 new residential units (a net increase of 29 units), all of which will be for private sale. Paragraph 6.22 of Core Strategy Policy CS6 identifies that the financial viability of the development is a key consideration when Council seeks affordable housing. This is also listed as a key consideration under emerging Policy H4 of the draft Local Plan.
- 4.3 The financial viability of the scheme is the key driver behind the proposals, which has resulted in no affordable housing being provided. In particular, the core objective of the scheme to redevelop a fit-for-purpose community centre for the HNCC and the FYA will be paid for through the sales of the private homes. This has had an impact on the scheme being able to provide any affordable housing as it would result in the scheme being unviable.
- 4.4 A Viability Report has been prepared by Savills in support of the planning application. In undertaking this assessment it is noted that, given the absence of any government funding for the scheme, the receipt from the proposed sale of the private housing is required to cross subsidise the community centre upgrades and other public realm improvements.
- 4.5 In order to assess the scheme's viability, the proposed development should 'break even'. The proposals received Camden Cabinet approval on the basis that the private sale units would cross subsidise the provision of the new HNCC and FYA community spaces, with no government funding available to deliver the project. Any deficit would result in the scheme being deemed unviable and consequently undeliverable. Conversely, should market conditions result in a scheme which delivers a surplus, this would be reinvested into the CIP to support the renewal of other community facilities and affordable housing within the Borough.
- 4.6 As part of their viability work Savills have assessed the development economics of the proposed scheme in order to identify the level of planning obligations, including the contribution to affordable housing, that the scheme can sustain. The resulting residual Land Value has been compared against the Site Value benchmark to ascertain whether there is a deficit or surplus against that benchmark.

- 4.7 It is clear from the Viability Appraisal results that the scheme delivers a deficit, even with no affordable housing provision. As such the scheme is not considered commercially viable in development viability terms even without affordable housing.
- 4.8 In light of the level of deficit shown this would not normally be a commercially deliverable scheme; however, this does not take into consideration the special circumstances of the applicant and the motivation for the redevelopment of the site. These special circumstances include:
- The applicant's longstanding ownership of the site;
 - The development being brought forward as part of Camden's Community Investment Programme meaning there is no requirement for the usual developer's return.
- 4.9 Taking into account the special circumstances of this development the viability and deliverability of the scheme greatly improves, allowing the applicant to bring the scheme forward for redevelopment and facilitating the reprovision of the existing community facilities through the delivery of residential units for sale.
- 4.10 Overall, based on the viability considerations of the proposals, it is considered that the scheme is acceptable in the context of Policy 3.12 of the London Plan policy 3.12, Policy CS6 of the Core Strategy and Policy DP3 of the Development Policies.

5. CONCLUSIONS

- 5.1 The proposed scheme is a Council-led development that forms part of the Community Investment Programme (CIP). The overarching objective for the development proposals is to provide new fit for purpose community buildings for the Highgate Newtown Community Centre (HNCC) and the Fresh Youth Academy (FYA) to ensure both of these valuable community facilities can be retained on the site in a manner which reflects the changing nature of community funding into the future.
- 5.2 The proposed housing is 100% private, with no affordable housing proposed. These proposals are made in the context of the overall viability objectives of the scheme, with the income gained from the sale of the private homes being reinvested into developing the community facilities and public realm improvements.
- 5.3 Notwithstanding this it is clear from the Viability Appraisal that the scheme delivers a deficit, even with no affordable housing provision. As such the scheme is not considered commercially viable in development viability terms. However, once the special circumstances of this development are taken into account, the viability and deliverability of the scheme greatly improves, allowing the applicant to bring the scheme forward for redevelopment and facilitating the reprovision of the existing community facilities through the delivery of residential units for sale.
- 5.4 In light of the development specific viability constraints of the proposed development it is considered that the proposed affordable housing provision is policy compliant.