

Georgiana Street, London NW1 0QS

Bangor Wharf



Report to accompany planning application:

Affordable Housing Statement
GL Hearn

February 2017



GL Hearn

Affordable Housing Statement

One Housing Group

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24 February 2017

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DATE
24 February 2017

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1. INTRODUCTION

- 1.1. This Affordable Housing Statement has been prepared on behalf of the Applicant, One Housing Group to accompany a planning application submitted for the comprehensive redevelopment of Bangor Wharf in Camden.
- 1.2. The planning application seeks planning consent for the following development proposals:

"Demolition of all buildings on-site and new buildings of 1-6 storeys in height to include 40 residential (C3) units (16 x 1 bed, 15 x 2 bed and 9 x 3 bed) of which 34 would be market units and 6 affordable, 813 sq.m (GEA) office floorspace (B1a), 55 sq.m (GEA) storage and distribution floorspace (B8) and associated works to highways and landscaping."
- 1.3. The purpose of this statement is to provide the Local Planning Authority with information regarding the provision of affordable housing within the proposed development and the justification for that provision.
- 1.4. Section 2 of this statement will set out the relevant affordable housing policy against which these proposals are to be tested.
- 1.5. Section 3 will explain the proposed residential provision.
- 1.6. In bringing forward these redevelopment proposals extensive pre-application consultation has taken place between the Applicant's team and various stakeholders.
- 1.7. This statement should be read in conjunction with the supporting Planning and Design & Access Statements which provide further clarification in respect of the residential elements of the scheme.
- 1.8. A Financial Viability Assessment is also being submitted with the application under separate cover.

2. PLANNING POLICY

2.1. In consideration of these proposals, due regard has been had to the housing policy as set out in the National Planning Policy Framework, Regional Planning Policy (London Plan) and local planning policy.

2.2. In summary, the following documents have been considered:-

2.3. In summary, the following documents have been considered:-

National Planning Policy Framework (March 2012)

London Plan (March 2016)

Minor Alterations to the London Plan (MALP) (March 2016)

London Housing Strategy (February 2010)

London Housing Strategy Draft Consultation (April 2014)

A Revised London Housing Strategy (December 2011)

London Plan Housing SPG (March 2016)

Draft Affordable Housing and Viability Supplementary Planning Guidance 2016

LB Camden Core Strategy (adopted November 2010)

LB Camden Development Policies (adopted November 2010)

LB Camden Local Plan Submission Draft

LB Camden Housing CPG2 (adopted July 2015)

National Planning Policy Framework

2.4. The NPPF was published on 27 March 2012 and it replaces almost all pre-existing national planning policy including Planning Policy Statement 3 Housing.

2.5. The NPPF emphasises the presumption in favour of sustainable development. The plan is also pro-growth. Paragraph 19 states '*The Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth. Planning should operate to encourage and not act as an impediment to sustainable growth. Therefore significant weight should be placed on the need to support economic growth through the planning system.*'

2.6. Paragraphs 173 and 174 refer to viability and in summary, state that requirements for affordable housing and other contributions should not render developments unviable whilst still providing competitive returns to a willing landowner and willing developer.

London Plan

2.7. The London Plan was published in March 2016, and is consolidated with all alterations to the London Plan since 2011. The Plan sets out policies and explanatory supporting material.

- 2.8. Policy 3.8 sets out to ensure that Londoners should have a genuine choice of homes that they can afford and which meet their requirements for different sizes and types of dwellings in high quality environments. Policy 3.9 sets out to ensure that mixed and balanced communities by tenure and household income should be promoted across London.
- 2.9. Policy 3.10 includes affordable rent tenure within the definition of affordable housing which is in line with the National Planning Policy Framework. This states that rents can be up to 80% of Market Rent including service charges.
- 2.10. Policy 3.11 of the London Plan sets out the Mayor's strategic target that 60% of affordable housing provision should be for social and affordable rent with 40% for intermediate tenure. Priority should be accorded to provision of affordable family housing.
- 2.11. In particular, Policy 3.12 deals with the negotiation of affordable housing on individual private residential and mixed use schemes.
- 2.12. 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, having regard to:*
- a) *current and future requirements for affordable housing...*
 - b) *affordable housing targets adopted in line with Policy 3.11,*
 - c) *the need to encourage rather than restrain residential development...*
 - d) *the need to promote mixed and balanced communities...*
 - e) *the size and type of affordable housing needed in particular locations*
 - f) *the specific circumstances of individual sites.*
 - g) *resources available to fund affordable housing...*
 - h) *the priority to be accorded to provision of affordable family housing...'*
- 2.13. It states further "*Negotiations on sites should take account of their individual circumstances including development viability*".

Minor Alterations to the London Plan

- 2.14. The 2015-16 Minor Alterations (MALPs) were prepared to bring the London Plan in line with the national housing standards and car parking policy and are consolidated within the London Plan.

London Plan Housing SPG

- 2.15. The Mayor published new supplementary planning guidance (SPG) on housing in March 2016. The SPG provides updated guidance on a range of strategic policies including housing supply, residential density, housing standards, build to rent developments, student accommodation and viability appraisals.

Draft Affordable Housing and Viability Supplementary Planning Guidance 2016

- 2.16. The draft guidance was released for consultation on 29 November 2016 and is open for consultation ending 28 February 2017. Paragraph 1.3 states that the SPG's main aim is to speed up planning decisions and increase the amount of affordable housing delivered. Paragraph 1.10 states that the SPG is the Mayor's preferred approach and Local Planning Authorities (LPAs) are strongly encouraged to follow for all schemes of 10 or more units.

- 2.17. Paragraph 2.3 introduces a ‘threshold approach’ whereby schemes meeting or exceeding 35% affordable housing without public subsidy are not required to submit viability information (referred to a Route B). Schemes which do not meet the threshold will be required to submit detailed viability information which will be scrutinized and treated transparently (referred to as Route A).
- 2.18. Paragraph 2.7 states that where a borough currently adopts an approach which delivers a higher average percentage of affordable housing (without public subsidy) the local approach should continue to apply. Where a borough is minded to continue using a local approach, as part of this consultation, the Mayor requests boroughs discuss with the GLA and provide evidence that this will deliver an average of more than 35% affordable housing without public subsidy.
- 2.19. Paragraph 2.8 states that the percentage of affordable housing should be measured in habitable rooms.
- 2.20. Paragraph 2.20 states that the Mayor will make funding available to increase the proportion of affordable homes above that which is viable on a nil-grant basis.
- 2.21. Paragraph 2.30 states that when setting a (tenure) mix, LPAs should take account of the values generated by different types of affordable tenures and implications on delivering the 35% threshold.
- 2.22. Part 3 of the SPG provides guidance on viability assessments. Paragraph 3.2 states that for referable schemes that do not meet the 35 per cent threshold the Mayor will review both the viability information submitted by the applicant and any review or assessment carried out by or for the LPA. The Mayor will consider whether the approach adopted and inputs used are appropriately and adequately justified by evidence. When reviewing the information the Mayor’s team may ask the applicant and LPA for clarification and additional information.

LB Camden Core Strategy

- 2.23. The LB Camden Core Strategy was adopted in November 2010.
- 2.24. Paragraph 1.22 recognises the importance of encouraging developments with high densities in the most accessible parts of the borough, such as Central London.
- 2.25. Paragraph 1.25 notes that the Council will encourage the provision of a mix of uses in suitable locations.
- 2.26. Paragraph 3.5 states that the Council will generally expect larger developments in highly accessible areas to include a mix of uses.
- 2.27. Policy CS6 states that housing is the priority land-use of Camden’s Local Development Framework.
- 2.28. New housing should seek to meet a borough wide target of 50% of all units subject to site characteristics, location and overall scheme viability. A borough guide is 60% social rented and 40% intermediate based on unit numbers. The Council is seeking a diverse range of housing products.
- 2.29. For all new social rented housing the Council has recognised homes with 4+ bedrooms as the highest priority with 3 bed homes also a high priority. For intermediate housing, the Council has identified homes with 2 or more bedrooms as a high priority, with 1 bed homes as a medium priority. For market housing the priority is for 2 bed homes. This is not a prescriptive mix across all sites in the borough. The preferred affordable housing mix in terms of unit size and mix of

dwellings on individual sites will be determined through negotiation, scheme viability assessment and up to date assessment of housing need.

LB Camden Development Policies

- 2.30. The Camden Development Policies was adopted in November 2010 and forms part of the Council's Local Development Framework (LDF).
- 2.31. The Camden Development Policies Local Development Framework is one of the main mechanisms by which LB Camden will seek to deliver objectives in the Core Strategy.
- 2.32. Policy DP1 states that the Council will require a mix of uses in development where appropriate in all parts of the borough, including a contribution towards the supply of housing.
- 2.33. Policy DP2 states that the Council will seek to maximise the supply of additional homes in the borough, especially homes for people unable to access market housing including expecting the maximum appropriate contribution to supply of housing on sites that are underused or vacant, taking into account any other uses that are needed on the site.
- 2.34. Policy DP3 states 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. The policy also states that the Council will apply the 50% affordable housing target with regard to a sliding scale from 10% for developments with a capacity for 10 dwellings to 50% for developments with capacity for 50 dwellings. However the sliding scale is not applicable to mixed-use developments. The policy is to be applied flexibly, including taking viability into account.
- 2.35. Policy DP5 sets out the Dwelling Size Priorities Table, details of which have been explained above in paragraph 2.19. The policy states that the Council will aim for at least 50% of social rented dwellings and 10% of intermediate affordable dwellings in each scheme to be large homes with 3+ bedrooms and for at least 40% of market homes to contain 2 bedrooms. [CPG2 July 2015 provides a more up-to-date policy split.](#)
- 2.36. Policy DP6 states that all new homes are to be built to Lifetime Homes standards with 10% to be wheelchair accessible or easily adaptable.

Camden Planning Guidance (CPG2 Housing) July 2015

- 2.37. The Council adopted CPG2 Housing in July 2015.
- 2.38. The document is a Supplementary Planning Document which is a material consideration in planning decisions.
- 2.39. It states that affordable housing includes social and affordable rent housing and intermediate housing.
- 2.40. Residential and mixed use development adding 1,000sqm or more gross housing should provide affordable housing.
- 2.41. Most mixed use developments should provide 50% affordable housing.
- 2.42. A sliding scale will apply for mixed use schemes where the development has less than 1,000sqm of non-residential floor space but has a residential capacity of 10-49 homes (i.e. 1,000sqm to 4,900sqm residential floor space) (Paragraph 2.35).

- 2.43. The floor space thresholds referred to in Development Policies DP1 and DP3 refer to gross floor space and will be calculated based on GEA (Gross External Area).
- 2.44. Thereafter the split between social-affordable rent and intermediate will be based on net internal floor space (Paragraph 2.44).
- 2.45. The document recognises that the preferred tenure split can be subject to negotiation based on individual site circumstances including viability (Paragraph 2.47).
- 2.46. Social-affordable rent dwelling size priorities are listed as follows:-
- 1 bed homes – no more than 20%
 - 2 bed homes – 30%
 - 3 bed homes – 30%, or 50% if no 4 bed homes are provided
 - 4 bed homes – 20%
- 2.47. Intermediate dwelling size priorities are listed as follows:-
- Studio homes – A proportion of studios might be acceptable, but schemes where all intermediate homes are studios are generally resisted
 - 1 bed homes – A proportion is expected in all schemes
 - 2+ bed homes – A proportion may be included where they will be affordable. These are likely to be provided for intermediate rent rather than shared ownership
- 2.48. The mix is to be negotiated on a scheme by scheme basis (Paragraph 2.57).
- 2.49. The document recognises that public subsidy will usually be needed to meet the Core Strategy affordable housing levels.

LB Camden Draft Local Plan

- 2.50. The Council has published a draft Local Plan for consultation. On 24 June 2016 the Council submitted the Camden Local Plan and supporting documents to the Secretary of State for Communities and Local Government for independent examination. At present the Council is consulting on Main Modifications to the Local Plan. All comments are to be submitted by March 13 2017.
- 2.51. The Draft Local Plan Submission Document details that the Council will aim to secure a sufficient supply of homes to meet the needs of existing and future households by maximising the supply of housing and exceeding a target of 16,800 additional homes from 2015/16 - 2030/31.
- 2.52. Draft Local Plan Policy H4 (Affordable Housing) seeks to maximise the supply of affordable housing and exceed a borough wide strategic target of 5,565 additional affordable homes from 2015-2030.
- 2.53. Draft Policy H4 outlines that the council will expect a contribution to affordable housing from all developments that include housing and provide one or more additional homes based on the following guidance:

- The Council will seek to negotiate the maximum reasonable amount of affordable housing on the following basis: a. the guideline mix of affordable housing types is 60% social-affordable rented housing and 40% intermediate housing;
- a sliding scale target applies to developments that provide one or more additional homes and have capacity for fewer than 25 additional homes, starting at 2% for one home and increasing by 2% of for each home added to capacity;
- an affordable housing target of 50% applies to developments with capacity for 25 or more additional dwellings;
- for developments with capacity for 10 or more additional dwellings, the affordable housing should be provided on site;
- where affordable housing cannot practically be provided on site, or offsite provision would create a better contribution (in terms quantity and/ or quality), the Council may accept provision of affordable housing offsite in the same area, or exceptionally a payment-in-lieu.

2.54. The Camden Local Plan Viability Study recommends that a 50% affordable housing target should be adopted on the basis that there is potential for 50% affordable housing to be delivered by a significant number of scheme types and in a significant range of locations (Para 3.92). The overall Affordable Housing target for schemes with 25 new dwellings of more is 50%.

2.55. Given the scale of affordable housing need in the borough, the Council has devised an affordable housing target on a sliding scale which will apply to any proposal involving one or more additional homes. The sliding scale has been set to achieve the maximum reasonable contribution overall without deterring development (Para 3.96).

2.56. The sliding scale starts from a target of 2% where there is capacity for one additional home, and increases on a 'straight-line' basis. Capacity for each further additional dwelling (or each 100 sqm GIA additional floorspace) increases the target by 2%. Thus the target for a scheme with capacity for an additional 12 dwellings is 24%, at 18 additional dwellings the target is 36%, and at 24 additional dwellings that target is 48%. (Para 3.106)

2.57. Draft Policy H4 sets out the guideline percentage for the split of affordable homes at 60% social / affordable rented housing and 40% intermediate housing (Para 3.100)

LB Camden Tenancy Strategy

2.58. The Council published its strategy in January 2013. The contents of this have been noted.

3. PROPOSED RESIDENTIAL PROVISION

- 3.1. The scheme proposals are for a residential-led, mixed use development which includes residential use and office (B1) and storage and distribution floorspace (B8) use.
- 3.2. The scheme will include the provision of 40no. residential units set over ground and five upper floors.
- 3.3. The proposed new residential accommodation would be located on the site formerly used as a depot for EDF, bordered by Georgiana Street to the south and Regents Canal to the north-east.
- 3.4. In summary the **overall residential mix** will comprise:-

Unit Type	Private	Social / Affordable Rent	Affordable Rent	Total	% of units
1 bed, 2 person flats	16	0	0	16	40.00%
2 bed, 4 person flats	13	0	2	15	37.50%
3 bed, 4 person flats	0	0	2	2	5.00%
3 bed, 5 person flats	5	2	0	7	17.50%
Total	34	2	4	40	100.00%

- 3.5. The scheme will therefore comprise 6no. affordable housing units which equates to 17.86% of the Gross Internal Area.
- 3.6. The total gross internal floor areas are as follows:-

Tenure	GIA sqm	% of GIA
Private	2,281	82.14%
Social rent	178	6.41%
Affordable rent	318	11.45%
Affordable sub-total	496	17.86%
Total	2,777	100.0%

- 3.7. The social/affordable rent units will be located in Block A over the first and four upper floors.
- 3.8. The affordable housing mix comprises 100% social / affordable rented units. This is in excess of the 60% target within the Local Plan and emerging draft Local Plan.
- 3.9. The **affordable housing** element of the scheme will comprise the following:-

Unit Type	Social Rent	Affordable Rent	Total	% of units
2 bed, 4 person flats	0	2	2	33.3%
3 bed, 4 person flats	0	2	2	33.3%

3 bed, 5 person flats	2	0	2	33.3%
Total	2	4	6	100.0%

3.10. Looking at the rented element of the scheme compared to the target split between unit sizes contained within CPG2, 33.3% of the units will be 2 beds which above the 30% target figure. The remaining 66.6% of the units are 3 bed units, with 33.3% of these being 3 bed 5 person units let at social rents. This is above the target of 50% for 3 bed+ units where no 4 bed units are provided.

3.11. All units will have amenity space in the form of private balconies/terraces and there will be further communal amenity areas.

3.12. The **private** element of the scheme will comprise the following:-

Unit Type	Private	% of units
1 bed, 2 person flats	16	47.06%
2 bed, 4 person flats	13	38.24%
3 bed, 5 person flats	5	14.71%
Total	34	100.0%

3.13. It is considered that by virtue of the site's location east of Camden town centre that the focus on smaller 1 and 2 bedroom private units is consistent with likely demand however the scheme provides a range of unit sizes including family units.

3.14. All the private units in the scheme will have amenity space in the form of private balconies/terraces and there will be further communal amenity areas.

Rent Policy

3.15. Two of the 3 bedroom rented units will be let at social rents (target rents). This will be secured in the Section 106 Agreement.

3.16. The remaining affordable rent units will be let on the basis of affordable rents well below the 80% of Market Rent permitted by Government policy.

Pre-Application Consultation

3.17. The Applicant has liaised extensively with the Council at the pre-application stage with regard to the proposed residential accommodation. A Financial Viability Assessment is being submitted with the application under separate cover which justifies the overall level of affordable housing provision.

Section 106 Agreement

3.18. The proposed affordable housing units will be secured under a Section 106 Agreement in the usual manner.

4. CONCLUSIONS

- 4.1. The scheme will provide 6no. on-site affordable housing units in an expensive part of London where new affordable housing is in demand.
- 4.2. The affordable housing mix comprises 100% social/affordable rent units. This is in excess of the Local Plan and emerging draft Local Plan requirement.
- 4.3. Two of the 3 bedroom rented units will be let at social rents (target rents) ensuring they are affordable to those most in need.
- 4.4. The overall level of affordable housing is 17.86% of the Gross Internal Area (15% on a unit basis).
- 4.5. The Council's policies recognise that scheme viability is important and that a development can provide a lower level of affordable housing and still be policy compliant.
- 4.6. We consider that the scheme proposals are policy compliant and they will provide good quality affordable housing in an expensive part of the borough.