

Acorn House, 314-320 Gray's Inn Road, London W1CX 8DP

On behalf of Precis Advisory/ Access Self Storage

Date: August 2020

Affordable Housing Statement

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1 Introduction and Instructions

- 1.1 Gerald Eve LLP is instructed by Precis Advisory/ Access Self Storage Ltd, ("the Applicant") to produce an Affordable Housing Statement ('AHS') in support of a planning application ("the Application") for the redevelopment of Acorn House, 314-320 Gray's Inn Road ("the Site").
- 1.2 This Affordable Housing Statement is submitted on behalf of the Applicant.
- 1.3 The remainder of this report is set out as follows:

2) The Proposed Scheme

3) Local Planning Context: Affordable Housing

4) Financial Viability and Overall Affordable Housing Proposal

5) Detailed Affordable Housing Proposal: Tenure and Mix of Units

6) Detailed Affordable Housing Proposal: Rental Levels and Affordability

7) Concluding Statement

2 The Proposed Development

Introduction

- 2.1 The overall development located at 314-320 Gray's Inn Road will comprise of a predominantly residential led scheme of 33 affordable units, with a retail unit at ground and basement level.
- 2.2 A detailed description of the Site and its surroundings is contained within the Planning Statement. A summary of the location and planning application is therefore provided in the section below.

Background

- 2.3 The existing site comprises of a 6-storey building, predominantly office accommodation with one residential unit and a lower ground floor car park, with vehicular access from Swinton St.

The Application

- 2.4 The Application, description of development proposes:

“Redevelopment of Acorn House as a part 6, part 10 storey building to provide 33no. affordable housing units with affordable office space and a retail unit at ground and basement level together with cycle parking facilities. An external playspace is proposed at level 6 and a community room with kitchenette and landscaped terrace for residents at level 9.’

- 2.5 Full floorplans for the Scheme can be found in the Design and Access Statement which will be submitted alongside this application.

Land Use

- 2.6 The Proposed Development will provide 3,469 sqm (GIA) of residential floorspace.
- 2.7 The residential floorspace will be provided in one block and be delivered as 100% affordable housing. The provision equates to 33 affordable housing units.
- 2.8 A summary of the unit breakdown within the block is provided in the following table.

Table 1: Affordable Residential Summary

Affordable Residential Unit Type	Total Units
Studio	4
1B 2P	8
2B3P	7
2B 4P	8
3B 5P	5
4B7P	1
Total	33

Source: AHMM

- 2.9 Non-residential uses will be provided at ground and basement levels, comprising of c. 476 sqm of Commercial Office and 195 sqm of Retail.

3 Planning Context

Introduction

- 3.1 In this section we provide a brief overview of relevant planning background to the Scheme. A more detailed assessment is contained within the Planning Statement, which has been submitted to the London Borough of Camden ('LBC') as part of the Application. This section also provides an overview of key planning policies associated at national, regional and local level including an overview of the planning background relating to the Application. Additional reference should be made to the National Planning Policy Framework ('NPPF'), the Planning Practice Guidance ('PPG'), the London Plan, the Mayor's Housing SPG, LBC's local policies as well as the emerging draft New London Plan.
- 3.2 The affordable housing strategy for the Application has been set in accordance with National and Regional Planning Policy guidance and has had regard for the following:
- National Planning Policy Framework (2019), ('NPPF')
 - The London Plan (2011) Consolidated with Alterations (March 2016)
 - Draft New London Plan (December 2019);
 - Mayor's Affordable Housing and Viability Supplementary Guidance (August 2017), ('SPG')
- 3.3 Locally, it has also had regard for the following LBC policies and guidance:
- Camden Local Plan (July 2017)
 - Interim Housing CPG (March 2019) ('IHCPG')
 - Camden Planning Guidance Housing (May 2016, as amended March 2019), (CPG2)

3.4 The following evidence base, Housing Strategy and funding programme documents have also been considered:

- Camden– Intermediate Housing Strategy (Cabinet Report, April 2016) ('IHS')

National Planning Policy Framework

3.5 The National Planning Policy Framework ("NPPF"), originally published in March 2012 and revised in February 2019, sets out the Government's planning policies for England and how these are expected to be applied. The NPPF has a clear presumption in favour of sustainable development and in determining planning applications local planning authorities should take account of this.

3.6 The NPPF recognises the place of viability testing, in both plan-making and decision-making.

3.7 Paragraph 57 of the NPPF states: -

"Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available."

3.8 National Planning Policy Guidance (NPPG) refers to viability under Planning Obligations (published 19 May 2016) and Viability (published 6 March 2014 and updated 24 July 2018). This report deals with each in turn.

Planning Obligations

3.9 PPG states:

“Planning obligations assist in mitigating the impact of unacceptable development to make it acceptable in planning terms. Planning obligations may only constitute a reason for granting planning permission if they meet the tests that they are necessary to make the development acceptable in planning terms, directly related to the development, and fairly and reasonably related in scale and kind.”

(Paragraph 001 Ref ID 23-b-001-20161116)

3.10 Furthermore, PPG indicates:

Planning obligations should not be sought where they are clearly not necessary to make the development acceptable in planning terms; and planning obligations must be fully justified and evidenced. Where affordable housing contributions are being sought; planning obligations should not prevent development from going forward.

(Paragraph: 001 Ref ID 23-004-20150326)

3.11 The PPG also indicates that where local planning authorities are requiring affordable housing obligations or tariff style contributions to infrastructure:

..they should be flexible in their requirements. Their policy should be clear that such planning obligations will take into account specific site circumstances.

(Paragraph: 006 Reference ID: 23b-006-20140306)

3.12 The PPG (Paragraph: 007 Reference ID: 23b-007-20150326) recommends that on individual schemes, applicants should submit evidence on scheme viability where obligations are under consideration.

Regional Planning Policy

The London Plan (2016)

- 3.13 The London Plan, consolidated with alterations (March 2016), is the Regional Spatial Strategy for Greater London defined to include the 32 Boroughs and the City of London. The aim of the London Plan is to set out a framework to co-ordinate and integrate economic, environmental, transport and social considerations over the next 20 to 25 years. The London Plan forms the London-wide policy context within which the Boroughs set their local planning agendas, and forms part of the statutory Development Plan.
- 3.14 The London Plan builds upon many of the policies set out at the national level with a significant emphasis upon achieving development in the most suitable and sustainable of locations, prioritising the use of previously developed land and making the most efficient use of available land.
- 3.15 The growth and management of the city form the major challenge and overarching concern of the London Plan, and are prioritised in order to allow London to excel among global cities within the context of significant rates of development and population increases. The detailed objectives of the Plan seek to ensure that London are set out below:
- A city that meets the challenges of economic and population growth;
 - An internationally competitive and successful city;
 - A city of diverse, strong, secure and accessible neighbourhoods;
 - A city that delights the senses;
 - A city that becomes a world leader in improving the environment; and
 - A city where it is easy, safe and convenient for everyone to access jobs, opportunities and facilities.
- 3.16 The London Plan seeks that development should maximise the potential of sites, create or enhance the public realm, provide or enhance a mix of uses, respect local context, character and communities and be sustainable.

- 3.17 Policy 3.8 states that, whilst boroughs should seek the maximum reasonable amount of Affordable Housing, regard should be had to the need to encourage rather than restrain residential development. Negotiations on sites should take account of their individual circumstances, including development viability.
- 3.18 Policy 3.9 entitled 'mixed and balanced communities' sets out that Communities mixed and balanced by tenure and household income should be promoted across London through incremental small scale as well as larger scale developments which foster social diversity, redress social exclusion and strengthen communities' sense of responsibility for, and identity with, their neighbourhoods. They must be supported by effective and attractive design, adequate infrastructure and an enhanced environment.
- 3.19 Policy 3.10 goes on to state that affordable housing including affordable rented and intermediate housing, should be provided to meet the needs of specific households whose needs are not met by the market.
- 3.20 Policy 3.12 states that the maximum reasonable amount of affordable housing should be sought when negotiating on mixed use schemes. In particular the policy sets out that regard should be had to the current and future requirements for affordable housing at local and regional levels. Going on to state that there is a need to encourage rather than restrain residential development and promote mixed and balanced communities. The size and type of affordable housing delivered should reflect the size and type of affordable housing currently in need. Part B of Policy 3.12 states that negotiations on sites should take account of their individual circumstances including the viability of schemes and the availability of public subsidy.
- 3.21 The Affordable Housing thresholds are set out in Policy 3.13 which states that Boroughs should normally require affordable housing provision on a site which has capacity to provide 10 or more homes.
- 3.22 Paragraph 3.37 of the London Plan reiterates that the Mayor wishes to encourage, not restrain, overall residential development and that Boroughs should take a reasonable and flexible approach to securing affordable housing on a site by site basis.

London Plan (Intend to Publish) (2019)

- 3.23 The new London Plan is the Regional Spatial Strategy for Greater London defined to include the 32 Boroughs and the City of London.
- 3.24 There was a consultation period for the draft document between December 2017 – February 2018, with an amended version issued in August 2018, in response to these changes.
- 3.25 A new London Plan (also known as the Replacement Plan) is being prepared and once adopted will supersede the current London Plan. On 9th December 2019, the Mayor submitted his 'Intend to Publish' London Plan to the Secretary of State. The publication of the new London Plan is currently delayed whilst the Mayor considers that Secretary of State's response and takes the statutory steps to finalise the plan.
- 3.26 The new London Plan promises to change one of the key foundations of planning policy for development in Greater London. A principal concept in the London Plan is "Good Growth," which is defined as "sustainable growth that works for everyone" to improve the health and quality of life for all Londoners, and in particular by rebalancing housing development towards more genuinely affordable homes for Londoners to buy and rent.
- 3.27 The new London Plan Policy H5 states that the strategic target is for 50 per cent of all new homes delivered across London to be genuinely affordable. Specific measures to achieve this aim include:
- requiring residential and mixed-use developments major developments which trigger affordable housing requirements to provide affordable housing through the threshold approach;
 - using grant to increase affordable housing delivery beyond the level that would otherwise be provided.
- 3.28 The new London Plan with suggested minor changes sets out the emerging policy in relation to the required tenure split under Policy H7. This includes the following:

- Minimum of 30 per cent low cost rented homes, as either London Affordable Rent or Social Rent, allocated according to need and for Londoners on low incomes;
 - a minimum of 30 per cent intermediate products which meet the definition of genuinely affordable housing, including London Living Rent and London Shared Ownership;
 - The remaining 40 per cent to be determined by the borough as low cost rented homes or intermediate products based on identified need.
- 3.29 The emerging policy also emphasises the Mayor's priority to deliver "*genuinely affordable housing*" including all of the affordable housing products listed in the above section.
- 3.30 The emerging policy also sets out the annual household income requirements and affordability levels.
- 3.31 For dwellings to be considered affordable, annual housing costs, including mortgage (assuming reasonable interest rates and deposit requirements), rent and service charge, should be no greater than 40 per cent of new household income.
- 3.32 The new London Plan is aligned to the GLA's SPG for Affordable Housing and Viability which is discussed in the following section.

Mayor's Affordable Housing and Viability Supplementary Guidance (August 2017)

- 3.33 The Mayor's Housing SPG (March 2016) has been updated to reflect the London Plan consolidated with alterations (2016). It 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. This SPG replaces the Mayor's Housing SPG 2012 and the Mayor's Housing Standards Policy Transition Statement.
- 3.34 In August 2017 the Mayor published the final SPG. We have therefore had regard to the SPG in this statement.

- 3.35 The key theme from the SPG is the GLA's flexibility with regards to tenure mix on new developments. Point 2.40 of the document refers to the following flexibility allowed in regards to tenure mix is applied to the scheme.
- 30% low cost rent (social rent or affordable rent) with rent set at levels that the LPA considers genuinely affordable;
 - 30% as Intermediate products, with London Living Rent and/ or shared ownership being the default tenures assumed in this category;
 - The remaining 40% to be determined by the relevant LPA.
- 3.36 Further guidance on the above tenures as rental levels is discussed in Section 6 of this statement.

Local Planning Policy

Local Plan (July 2017)

- 3.37 At the local level, the Camden Local Plan (July 2017) sets out the strategic policies for the borough. It replaces the former Core Strategy and Development Policies Document as the basis for planning decisions and future development in the borough.
- 3.38 Policy H1 (*Maximising Housing Supply*), of Camden's Local Plan (July 2017), sets out the Council's overall borough-wide strategic target to meet or exceed a total of 16,800 additional homes from 2016/17-2030/31, including 11,130 additional self-contained homes. Within this, the policy indicates that where sites are underused or vacant, the council will expect the maximum reasonable provision of housing that is compatible with other uses on the site.
- 3.39 Policy H2 (*Maximising the supply of self-contained housing from mixed-use schemes*), supports the policy aims of Policy H1. Where housing is required as part of a mix of uses, if 1,000 sqm (GIA) of additional floor space or more is proposed, self-contained housing is required to be provided on site.

- 3.40 Within this policy, in the Central London Area and the town centres of Camden Town, Finchley Road/ Swiss Cottage and Kilburn High Road, where development involves additional floor space of more than 200 sqm (GIA), the council will require 50% of all additional floor space to be self-contained housing, subject to site specific conditions. However, the proposed Site is not located within any of these zones.
- 3.41 Policy H3 (*Protecting Existing Homes*), focuses on protecting all housing floorspace where people live long term. It also seeks to protect individual self-contained houses and flats (Use Class C3) and individual houses and flats shared by 3-6 occupiers who share facilities (houses in multiple occupation or HMOs, Use Class C4).
- 3.42 Policy H4 (Maximising the supply of affordable housing), sets out the council's objective to achieve a contribution to affordable housing from all developments that provide one or more additional home and include a total addition to residential floor space of 100 sqm GIA or more. In these instances, the Council will seek to negotiate the maximum reasonable amount of affordable housing on the following basis:
- *Guideline mix of affordable housing types is 60% social-affordable rented housing and 40% Intermediate;*
 - *Targets are based on an assessment of development capacity whereby 100 sqm (GIA) of housing floorspace is generally considered to create capacity for one home;*
 - *Targets are applied to additional floorspace proposed, not existing or replacement;*
 - *Sliding scale target applies to developments that provide one or more additional homes and have capacity for fewer than 25 additional home;*
 - *An affordable housing target of 50% applies to developments with capacity for 25 or more additional dwellings;*
 - *For developments with capacity for 25 or more additional homes, the Council may seek affordable housing for older people or vulnerable people as part or all of the affordable housing contribution;*
 - *Where developments have capacity for fewer than 10 additional dwellings, the Council will accept a payment-in-lieu of affordable housing;*

- *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 off-site provision would create a better contribution (in terms of quantity or quality), the Council may accept provision of affordable housing off site in the same area, or exceptionally a payment in lieu.*

All of the above requirements are subject to assessment on a site by site basis.

- 3.43 Policy H7 (*Large and Small Homes*), seeks to secure a range of homes of different sizes that will contribute to the creation of mixed, inclusive and sustainable communities and reduce mismatches between housing needs and existing supply.
- 3.44 The Council's overall preference is set out in the Dwelling Size Priorities table at point 3.189. The table is based on the outputs of the Camden Strategic Housing Market Assessment. An extract from this table, focusing specifically on affordable housing is set out below.

Table 2: Local Plan – Policy H7, Dwelling Size Priorities

Tenure	1 Bed (or Studio)	2 Bedroom	3 Bedroom	4 Bedroom (or more)
Social-Affordable	lower	high	high	medium
Intermediate	high	medium	lower	lower
Market	medium	high	high	lower

Source: LB Camden Local Plan (2017)

- 3.45 The above table indicates that the greatest requirement in the market sector is likely to be for two- or three-bedroom homes, followed by one-bedroom homes/studios. The greatest requirement in the social-affordable (social) sector is likely to be for two- and three-bedroom homes followed by homes with four bedrooms or more albeit that in respect of Intermediate homes, there is a greater requirement for 1 bedroom and 2-bedroom homes.

- 3.46 The Council has also produced a Planning Guidance for Housing, known as CPG2 Housing which was updated in March 2019. Full regard has been given to this document in the affordable housing offer and it has been referenced throughout this statement.

Summary

- 3.47 A review of national, regional and local policies demonstrates that the LBC is generally aligned with national and GLA policies.
- 3.48 The affordable housing policy agenda has undergone important change at the London level, with the emergence of GLA policy through the SPG. The SPG supports flexibility within affordable housing offers and encourages LPAs to adopt this strategy.
- 3.49 The London Plan (Intend to Publish) reflects this approach also.
- 3.50 Under the local policies the LBC policies seeks the maximum provision of affordable housing on all mixed-use developments with a capacity for more than 10 dwellings or 1,000 sqm (gross) of additional floor space.
- 3.51 LBC seeks Schemes containing 60% Social-Affordable and 40% Intermediate.
- 3.52 The Unit mix specified places an emphasis on larger family sized accommodation for the Social-Affordable units, with a more flexible, site specific approach for the Intermediate Rented units.

4 Financial Viability and overall Affordable Housing Proposal

Introduction

- 4.1 In this section of the report the proposed affordable housing offer is set out.
- 4.2 In accordance with planning policy, the level of affordable housing that can be supported by the proposal is determined by scheme viability.
- 4.3 The development proposes to deliver 35% affordable housing (based on floor space), which equates to 33 units.
- 4.4 There is currently a significant provision of 35% affordable housing on this Site, in line with the aspirations of Policies H1, H2, H4 and H7 regarding the overall percentage and a tenure split of 60% Social- Affordable Rented, and 40% Intermediate Rented within this.
- 4.5 The breakdown in terms of the provision of units on site is set out in the following table.

Table 3: Summary of Affordable Housing Offer

Tenure	No. of Units
Affordable Rent	19
Intermediate	14
Total	33

Source: The Applicant

Summary

- 4.6 The affordable housing provision of 35% of all the Scheme floor space is in accordance with Policy H4 of Camden's Local Plan. This equates to 33 units that will all be delivered on-site as Social Affordable and Intermediate Rent.

5 Detailed Affordable Housing Proposal: Tenure and Mix of Units

Introduction

- 5.1 This section provides further detail on affordable housing requirements in the LBC. The Applicant's affordable housing proposal is then discussed in relation to this.

Affordable Housing Definition

- 5.2 The NPPF (2019) defines affordable housing as follows:

"Affordable housing: 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)". (NPPF, 2018).

Affordable Housing Tenure and Types

- 5.3 There are a wide range of affordable housing products that can be delivered to accommodate households with different needs and income levels. All affordable housing products fall into two broad categories; social housing and intermediate housing.
- 5.4 Affordable Rent and Intermediate Rent are the housing products proposed for this Scheme, in line with Camden's policy requirements.

Social/ Affordable Housing

- 5.5 In line with the NPPF, affordable housing for rent is set in accordance with Government's rent policy for Social Rent (SR) or Affordable Rent (AR), or is at least 20% below local market levels.
- 5.6 SR homes are for households on low incomes where the rent levels are based on the formulas in the Social Housing Regulator's Guidance. The rent levels for SR homes use a capped formula (SPG).
- 5.7 AR homes represent a discount of up to 80% market levels.
- 5.8 A breakdown of the proposed Social Affordable Rented units is set out in Table Five.

Table 4: Social Affordable Unit Breakdown

Unit Type	No. Units
1B/ 2P	5
2B/3P	4
2B / 4P	4
3B / 5P	5
4B/7P	1
Totals	19

Source: AHHM

Intermediate Housing

5.9 Intermediate Housing includes:

“Intermediate housing includes ‘low cost home ownership’ products and ‘discount market rent’ products” (pp.24).

5.10 A breakdown of the proposed Intermediate Rented units is set out in Table Five.

5.11

Table 5: Intermediate Unit Breakdown

Unit Type	No. Units
Studio	4
1B 2P	3
2B 3P	3
2B 4P	4
Totals	14

Source: AHHM

Location of Units

5.12 The affordable housing will be located in one block on levels one to eight.

5.13 The units will be accessible by lift as well as stair and in line with LBC Policy.

Mix of Units

- 5.14 As this Scheme will provide both Social Affordable and Intermediate Rented accommodation, it is useful to analyse the proposed mix in relation to the unit mix requirements set by the Council.
- 5.15 It should be noted that the Applicant undertook extensive engagement with the Council's Housing Team during the pre-planning application process and consulted on the proposed unit mix offered.
- 5.16 As set out above, the Council seeks the provision of a mix housing sizes, both large and small units, as set out in Policy H7.
- 5.17 The IHCPG (2019) is more descriptive and confirms the overall unit mix objectives for both tenures.
- 5.18 The following table sets out both the IHCPG unit mix requirements along with a comparison on what the Scheme is proposing to deliver, in respect of the Social Affordable accommodation.

Table 6: Social Affordable Unit Mix Requirements and Scheme Proposals

Unit Type	No. Units	% of Units	IHCPG Unit Mix Requirements
1B/ 2P	5	26	No more than 20%
2B/3P	4	21	30%
2B / 4P	4	21	
3B / 5P	5	26	30% or 50% if no 4 bed-room homes provided
3B / 6P	1	5	
Totals	19	100%	100%

Source: AHMM and IHCPG

- 5.19 The above table demonstrates that the Scheme is over providing in terms of larger family units, with 30% of the Social Affordable units being delivered as 3- and 4-bedroom units, in line with the Council's requirements. When considered on a habitable room basis, this

equates to a total of c.35%, demonstrating a significant number of larger family units being delivered in this location.

5.20 The IHCPG is less prescriptive on the Intermediate unit mix and sets out the following broad requirements:

- *Studios/ 1 Beds: A proportion is expected in all Schemes;*
- *2 Bed: A limited proportion of high quality two-bedroom, four person homes may be included where they are genuinely suitable for sharers and dedicated to lettings on a shared basis to two eligible households;*
- *3 Bed: Will not support provision.*

5.21 It is evident that the Intermediate offer provided as part of this Scheme is in accordance with the above criteria. A minimal number of Studios (four) have been included, along with four 1 beds, equating to c.26% of the intermediate units.

5.22 A proportion of high quality 2 beds have also been included equating to 50% of the offer. They comprise a mixture of 2 bed/ 3 person and 2 bed/ 4 person units. The larger units include en-suites to accommodate sharers, as per the above requirements.

5.23 The Scheme proposes an excellent mix of units, in line with the planning policy requirements to meet a variety of housing needs, across both the Social Affordable and Intermediate tenures.

Design of the Units

5.24 The affordable housing units have been designed in accordance with the London Plan and the GLA's Supplementary Planning Guidance.

5.25 The following tables sets out the average sizes, per unit type against the minimum space

Table 7: Average Sizes- Unit Type

Unit Type	No. Units	1 Storey Unit GIA sqm	Average Unit Size in Scheme
1 Bed	1P	39	38
	2P	50	56
2 Bed	3P	61	72
	4P	70	74.5
3 Bed	5P	86	95
4 Bed	7P	TBC	123

Source: London Plan (2016) and AHMM

- 5.26 All the proposed units exceed the minimum space standards for new dwellings, demonstrating the quality of the housing.

Wheelchair Accessible Units

- 5.27 As required by Camden Policy H6, one of the apartments would be suitable for occupation by a wheelchair user or easily accessible for occupation by a wheelchair user in accordance with Building Regulation M4(3)(2)b. The remaining two units will be adaptable in accordance with Building Regulation M4(3)(2a).
- 5.28 The following table sets out the breakdown of wheelchair units, which will all be allocated within the Social Affordable tenure, on the second floor of the building.

Table 8: Wheelchair Accessible Units

Unit Type	No. Units
1B2P	3
Total	3

Source: AHMM

Summary

- 5.29 In general terms, the design it is intended to deliver a range of unit sizes across the development. The design mediates between the Local Plan and need to deliver a high proportion of affordable housing and maximum number of units overall, as well as the wish to maximise the number of units delivered in an acceptable planning volume.

- 5.30 The Scheme delivers a range of different sized accommodation, including Studio to 3-bedroom units. Unit sizes are in line with Camden Local Plan requirements and have been designed to comply with Lifetime Homes and the relevant accessible housing standards set out within the Camden Local Plan.
- 5.31
- 5.32 The Social Affordable accommodation will meet the needs of a range of households, including very large households of up to seven people.
- 5.33 The Intermediate accommodation will meet the needs of a wide range of households, ranging from single person to smaller families and potentially sharers living in the 2 bed (4p) units.
- 5.34 The requirements to ensure that 10% of all residential units are wheelchair accessible has been met through the provision of 3 units within the Social Affordable tenure.
- 5.35

6 Detailed Affordable Housing Offer: Income Levels & Affordability

Introduction

- 6.1 In this section the affordability of the proposed tenure split is considered in further detail.

London Affordable Rent

- 6.2 It is proposed that the Social-Affordable element of the Scheme will have rental levels that will in set in line with the London Affordable Rent ('LAR') figures, as specified in the GLA's Homes for London Investment Prospectus. The units will be set at rent levels in line with the 2019-20 benchmarks. These reflect the formula rent cap figures for social rents uprated by CPI for September 2016 plus one per cent.

Table 9: London Affordable Rent Levels

Unit Type	No. Units
1 Bed	£159.32
2 Bed	£168.67
3 Bed	£178.05

Source: Homes for Londoners Investment Prospectus (2016)

- 6.3 As service charges are paid in addition to the rental charge, it is anticipated that the level of service charge will be set at a reasonable and affordable level. The internal design and communal amenity space will be designed in a way that ensures durability and low maintenance ensuring service charges are kept to a minimum.
- 6.4 In order to calculate the estimated total weekly housing costs, an assumption of £2.20 psf service charge has been included in the table in line with market norms. Please note that this could be subject to change once the detailed design and scheme specifications are completed.

Intermediate Rent

- 6.5 It is noted that Camden has a comprehensive policy regarding the required rental levels and subsequent affordability and income thresholds that would be required to afford these.
- 6.6 The requirements are set out further in the IHCPG (2019) and specify that all providers should adopt an approach to Intermediate Rent with a range of rent levels from 40% to 80% of market rent to secure scheme viability, whilst ensuring that a majority of provision is affordable to households with incomes between £30,000 and £40,000 (as adjusted by wage inflation) (Par IH2.17).
- 6.7 The guidance also confirms that a small proportion of the homes could be provided at rents affordable to households with higher incomes but should not exceed the maximum of £60,000 adopted in the Mayor's Affordable Housing and Viability SPG (August 2017).
- 6.8 The weekly rental levels, inclusive of service charges, were calculated in line with GLA requirement that:
- *No more than 3.5 times the household income threshold to buy;*
 - *No more than 40% of net household income including rent and service charges (with net income assumed to be 70% of gross income).*
- 6.9 It is proposed that the Studio units will be affordable to households on £30,000 per annum and the 1 bed units to households earning £35,000 per annum.
- 6.10 The 2 bed (3 person) units will be affordable to households on income levels of £40,000. However, it is proposed that the 2 bed (4 person) units will be allocated to sharers, assuming that each household will not earn more than £30,000 per annum in total.
- 6.11 The proposed rent levels for the Intermediate Rented units and the annual household income that will be required to afford these, based on the assumptions set out in paragraph 6.9, are set out in the following table.

Table 10: Proposed Weekly Intermediate Rents and Annual Household Income

Unit Type	Weekly Rent	Annual Household Income
Studio	£162	£30,074
1 Bed (2P)	£185	£34,475
2 Bed (3P)	£215	£39,913
2 Bed (4P)	£323	£59,962 (c. £30k per room)

Source: IHCPH and GE

- 6.12 All rents are inclusive of service charges and represent the weekly cost of housing for the household.
- 6.13 The above affordability assumptions are estimated at this stage and are subject to change. They are considered reasonable based on the current GLA and LBC income and affordability requirements.

Summary

- 6.14 The affordability of the Intermediate Rented units has been set in line with the Camden HIS, the IHCPG and the wider GLA affordability criteria. The units will be accessible to households earning £30,000 up to £40,000 per annum for Studio to 2 bed (3P) units and up to £60,000 for the assuming that they do not spend more than 40% of their net income on housing costs.

7 Registered Provider Consultation

Introduction

- 7.1 This section provides further detail on the Registered Provider consultation process throughout the pre-planning and design process.

Early Consultation

- 7.2 In line with the Council's requirement to liaise with Registered Providers (RPs) throughout the design process, the Camden Housing Team recommended that the Applicant contact three RPs operating in Camden to provide initial design feedback on the scheme. All three RPs are on the Council's Preferred Partners List.
- 7.3 All three RPs were contacted, with two agreeing to engage further in the scheme design. A session was therefore held in October 2019 with the Applicants and the Architectural Team. The session focused on the following key design issues:
- General location/ access arrangements;
 - Unit and Tenure Mix;
 - Tenure Location and Mixing;
 - Specification of the units;
 - Wheelchair units;
 - Communal areas/ proposed outdoor spaces;
 - Fire Strategy;
 - Sustainability/ Energy;
 - Commercial/ Affordable Workspace.
- 7.4 The RP responses focused on key design, safety and technical requirements that would need to be considered in order for the scheme to be of interest to an RP, for potential acquisition, at a later date.

- 7.5 The feedback provided by the RPs was incorporated into the design at the early, pre application stages.

Further Consultation

- 7.6 As the scheme progressed and moved towards a design freeze, a selection of RPs were asked to comment further on the more detailed proposals. All of the parties that provided feedback were on the Camden 'Preferred Partner' list (December 2019).
- 7.7 This feedback has again been incorporated into the final design and has centred on how the scheme can be successfully managed in the future.
- 7.8 Once the scheme receives planning consent, the Applicant will seek to work with a selected RP to determine the specification aimed at minimising the required service charges for the units and ensuring a sustainably managed scheme in the longer term.

Summary

- 7.9 RP consultation on the scheme design has been undertaken at various stages of the pre-application process.
- 7.10 Whilst the RPs did not express strong concerns regarding the design, regard was given to the feedback provided and addressed as part of the developed scheme.
- 7.11 The scheme has been designed in accordance with RP requirements and proposed management arrangements.

8 Conclusion

- 8.1 Affordable housing is an important element in the proposed delivery of the scheme.
- 8.2 A total of 3,469 sqm (GIA) or 33 units of residential will be provided within the Theobald's Building being delivered as part of this development. This is just over 35% of the affordable housing requirement and is in accordance with the fast-track threshold approach in the emerging London Plan Policy.
- 8.3 The affordable residential accommodation will be located in a standalone block comprises of a total of 33 units on site, delivered as a mix of both Social Affordable and Intermediate Rented, in line with Camden's policy requirements.
- 8.4 The provision of 33 units will be provided on the basis of a split between Social- Affordable and Intermediate units equating to c.60/40% split in terms of floorspace and habitable rooms. The offer therefore meets policy requirements of 60% Social Affordable and 40% Intermediate.
- 8.5 The Social-Affordable housing will be delivered as LAR in line with local and GLA policy guidance.
- 8.6 The Intermediate housing will be provided as Intermediate Rent. The proposed household income requirements for this product are within the Council and GLA requirements and will be accessible to households on income of between £30,000- £40,000 per annum. Accommodation for sharers will also be provided, up to the £60,000 per annum income cap.
- 8.7 The Applicant has undertaken extensive consultation with both the Council's Housing Officers and RPs operating in Camden to design suitable affordable housing that will meet the needs of a wide range of households in housing need and can be effectively managed by an RP in the longer term.