

# **MINUTES OF THE JOINT MEETING OF HOUSING SELECT COMMITTEE AND SUSTAINABLE DEVELOPMENT SELECT COMMITTEE**

**Monday, 2 December 2013 at 7.00 pm**

**PRESENT:** Councillors Liam Curran (Chair), Vincent Davis (Vice-Chair), Obajimi Adefiranye, Anne Affiku, Paul Bell, Amanda De Ryk, Mark Ingleby and Marion Nisbet and ex officio member Councillor Alan Hall

**APOLOGIES:** Councillors Carl Handley, Suzannah Clarke, Julia Fletcher, Patsy Foreman, Darren Johnson and Eva Stamirowski

**ALSO PRESENT:** Councillor Paul Maslin (Cabinet Member for Resources), Justin Carr (Strategic Planning Manager, Development Decisions, Greater London Authority), Jeff Endean (Housing Programmes and Strategy Team Manager), Rob Holmans (Director of Regeneration and Asset Management), Genevieve Macklin (Head of Strategic Housing), Petra Der Man (Principal Lawyer), John Miller (Head of Planning), Janet Senior (Executive Director for Resources & Regeneration), Kevin Sheehan (Executive Director for Customer Services), Louise Spires (Strategy, Policy & Development Manager), Timothy Andrew (Scrutiny Manager), Charlotte Dale (Scrutiny Manager) and Salena Mulhere (Overview and Scrutiny Manager)

## **1. Election of the Chair**

- 1.1 Salena Mulhere opened the meeting and sought nominations for Chair of the meeting. Councillor Adefiranye nominated Councillor Curran and the committees agreed that Councillor Curran would chair the meeting.

## **2. Declarations of interest**

- 2.1 The Chair declared a non-prejudicial personal interest in relation to item 3, in that he was a public supporter of the heritage projects linked to the Convoys Wharf development.

## **3. Regeneration and housing in Deptford and New Cross**

- 3.1 John Miller outlined the strategic aims of the Council in relation to the regeneration of Deptford and New Cross, reporting that four of the five strategic sites identified in the core strategy were in this area. In response to a question from the Chair, John reported that the biggest obstacle to regeneration was the economic downturn and the consequent reduction in public funding.
- 3.2 In response to questions from Members of both committees it was noted that:
  - The Core Strategy had been widely consulted on prior to its adoption in June 2011; went to Mayor and Cabinet and Full Council six times; and was a 15 year strategic plan with overall principles designed to be

robust during periods of change in the economic and housing climate. Together with the Sustainable Communities Strategy, that had also been widely consulted on and developed alongside the Core Strategy, it set out the Council's vision for the borough.

- A charette had been held involving a variety of stakeholders which had focussed on the future of the Creekside area. This event did not result in a statutory plan for the area but was instrumental in the subsequent creation of the conservation area covering part of the area; and plans to introduce supplementary planning guidance for Creekside, including specific pedestrian and cycle routes.
- The London Plan was currently being updated and was the strategic plan for London, taking precedence over local plans and, as such, the Council's Core Strategy had to be in general conformity with it.
- The Council was working with the New Cross Gate Trust on the future approach to the land previously intended to house the New Deal for Communities (NDC) Centre project. Officers would be working with the Trust on options for the land in the new year and the Council would use its influence to ensure progress in taking forward plans for the site within the next 18 months.

3.3 Justin Carr provided information on the London Plan and the change from specific affordable housing targets to seeking the maximum reasonable amount of affordable housing on each site, subject to viability assessments. He also outlined the process for producing and testing a developer's viability assessment using an excel based model (the 'Three Dragons Toolkit') which estimated the impact on residual land values of varying the number of affordable housing units and fulfilling section 106 obligations / paying a Community Infrastructure Levy (CIL), amongst other things. It was noted that planning authorities could challenge the inputs to the model but that in developments where an area was due to be transformed it was hard to benchmark the development and assess the growth factor. It was further noted that the GLA was in the early stages of planning an investigation of the toolkit/viability process.

3.4 In response to questions from Members of both Committees it was noted that:

- The GLA had a good relationship with Lewisham's Planning team and did not usually get a high number of referrals from developers requesting that the GLA act as planning authority rather than Lewisham.
- The draft London Housing Strategy, produced by the GLA's Housing Department, had been published and it set out an investment programme designed to meet a variety of housing need.
- The representation hearing for the Convoys Wharf development was due to take place in February at City Hall (as per the procedure for representation hearings at the GLA, available on the GLA website) and 15 minutes would be allocated to any objectors, 15 minutes to supporters, 5 minutes to the developer and 5 minutes to the Council.
- The GLA was in regular contact with the Council's Planning Team in relation to this application.
- Representations on the application could be made up to the day of the representation hearing.

- The ground rent model (where public bodies lease land to developers in return for ground rent payments that are indexed to land values) was mentioned in the draft London Housing Strategy and the Royal Borough of Kensington and Chelsea had implemented a similar model to secure additional affordable housing in their borough.
  - In relation to the Convoys Wharf development, the GLA would like the Council to be a signatory to the Section 106 Agreement and receive the payments and the Council would work with the GLA on the detail of the Section 106 Agreement.
  - Justin Carr could not imagine a scenario whereby the benefits of a Section 106 Agreement would go out of the borough in which the development was situated.
- 3.5 Members discussed the importance of the site's heritage and asked Justin to flag their concerns with the GLA.
- 3.6. The committees discussed affordable housing and the following key points were made:
- The Council's target for affordable housing was 50% on qualifying sites but this was subject to viability. The Council employed a qualified consultant (paid for by the developer) to challenge the viability information presented.
  - The London Assembly held the Mayor of London to account in terms of affordable housing delivery.
  - Affordable rents of 80% of local market rents were not necessarily affordable and a two bed flat in Deptford/New Cross could cost £1000 a month to rent if set at this level.
  - Although affordable rent could be set at up to 80% of local market rents, it could be set at a lower percentage and on the Heathside and Lethbridge development had been set at a level which made it equivalent to social rent.
  - The Developers at Convoys Wharf had proposed 15% affordable housing made up of 25% affordable rented units and 75% intermediate housing but negotiations on these figures had not yet started and a housing association partner had not been agreed.
- 3.7. Councillor Maslin reported that the deficit reduction achieved by the Government was partly the result of infrastructure cuts, including to social housing subsidies, which inevitably had an impact on the levels of affordable housing being achieved in new developments.
- 3.8 **RESOLVED:** That a referral be made to Mayor and Cabinet recommending that:
- (1) In relation to the Convoys Wharf Development for which the Mayor of London will be acting as planning authority, Council officers recommend to the GLA that:
- When assessing and challenging the Developer's viability statement the sales figures achieved in comparable developments (particularly,

for example, neighbouring riverside developments in Greenwich) must be taken into consideration;

- The representation hearing should take place in the borough of Lewisham, preferably at a venue close to the Convoys Wharf site;
- The Mayor of London should make a site visit;
- The Developer's viability statement should be reassessed as later phases of the development come on stream so that if sales figures exceed expectations, a higher level of affordable housing can be provided in the final phases; and
- The Mayor of London should take into account successful heritage schemes in developments in coastal Europe that are similar to the heritage schemes of Build the Lenox and Sayes Court Gardens proposed for this development;

And more generally that:

- The Mayor of London should review the way in which affordable housing statistics for developments in London are presented, to clearly show the breakdown of the different "types" of affordable housing achieved including social rented, affordable rented and intermediate. The Mayor should also consider including figures for the actual rents that will be charged.

(2) in relation to the Convoys Wharf Development, that:

- The Council's communications team publicise the deadline for making submissions to the GLA on this application; and
- The Council's representations on the development are co-ordinated as a matter of urgency, given the indicative timetable provided by the GLA for deciding the application.

(3) That:

- The GLA and the Council should explore the ground rent model (where public bodies lease land to developers in return for ground rent payments that are indexed to land values) in relation to future developments, where appropriate; and
- The Draft London Housing Strategy is given a wide consultation within the Council including going to the Housing Select Committee.

#### 4. Items to be referred to Mayor and Cabinet

4.1 **RESOLVED:** That a referral be made to Mayor and Cabinet as outlined above.

The meeting ended at 9.25 pm

Chair:

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Date:

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