

Housing and Sustainable Development Select Committees			
Title	Regeneration and housing in Deptford and New Cross		
Wards	Evelyn, New Cross		
Contributor	Overview and Scrutiny team (Executive Director for Resources and Regeneration and Executive Director for Customer Services)	Item	3
Class	Part 1 (Open)	Date	02 December 2013

1. Purpose of this report

- 1.1 At its meeting on 24 September Business Panel resolved that the Housing and Sustainable Development Select Committees should hold a joint meeting to consider regeneration and housing in Deptford and New Cross. The chairs of each committee jointly agreed a series of questions to be considered at this meeting to form the scope of the meeting. The answers to these questions are set out in sections 5-10 of this report.

2. Summary

- 2.1 The Chairs of the two committees agreed that the scope of this meeting was to seek answers to these questions:

- What is the Council's strategic aim for Deptford and New Cross?
- What plans are in place to deliver this aim?
- How are these plans being implemented and monitored?
- Have these plans been adapted to take account of the current economic/housing climate?
- What is the Council's approach to managing development in Deptford and New Cross?
- What is the Council's target for the provision of affordable housing in Deptford and New Cross?
- How well is the Council meeting its affordable housing targets?
- Is the Council using all of its powers to ensure that developments are in line with its strategic plans?

- 2.2 Lewisham's Core Strategy is the Council's agreed statutory planning strategy for development and regeneration in the borough. It sets out a spatial vision and objectives; as well as policies to deliver the vision and objectives over the next 15 years. The strategy is built on a foundation of research, in depth policy and evidence. This report sets out details of the plans and projects for regeneration in Deptford and New Cross; progress on delivery of these plans; and details of the provision of affordable housing.

3. Recommendation

- 3.1 The joint committees are recommended to note the content of the report and direct questions to officers at the meeting on 2 December 2013.

4. Policy Context

- 4.1 The *Dynamic and Prosperous* strand of Lewisham's Sustainable Communities Strategy includes the priority to improve the quality and vitality of Lewisham's town centres and localities. The Sustainable Communities Strategy priorities link with the Council's Local Development Framework, to ensure that the overarching vision for the borough fits with plans for future development and regeneration.
- 4.2 The Council has a corporate priority to provide *decent homes for all*. This is complimented by the Council's housing strategy, which aims to: *make sure there are decent places for everyone to live in the borough*.
- 4.3 The Council has a Core Strategy as part of its local development scheme, which sets out the Council's planning strategy for development in the borough. The Core Strategy is the overarching plan for the borough and it incorporates the work of all relevant Lewisham planning documents. The Core Strategy also aligns with the policies and plans set out in the London Plan. The Mayor of London's London Plan is the overall strategic plan for London; it sets out a fully integrated economic, environmental, transport and social framework for the development of the capital to 2031. Lewisham's strategy has to be in general conformity with the London Plan, which means that the policies in the Core Strategy cannot be in conflict with any of the policies in the London Plan.

5. What is the Council's strategic aim for Deptford and New Cross?

- 5.1 The Core Strategy adopted by the Council in June 2011¹ sets out the Council's planning strategy for development in the borough over the 15 year period 2011-2026. The strategy is a plan for growth and sets out how the borough will provide for and accommodate more employment, business, retail and residential growth. The strategy sets out a vision (pp 32-35) and objectives (36-40) for regeneration then a spatial strategy (pp 41-79) and the planning policies (pp 81-157) to deliver the vision and objectives.
- 5.2 The Core Strategy vision for Lewisham in 2026 states in part:

In 2026 the regeneration and physical transformation of the London Borough of Lewisham will meet the needs and aspirations of existing and new residents and visitors by creating a sustainable, vibrant, exciting suburb on the edge of inner London one which supports safe, attractive and diverse communities where local people are at the heart of the regeneration process. It will be a place of choice for

¹ Available online at: <http://www.lewisham.gov.uk/myserVICES/planning/policy/Documents/CoreStrategyAdoptedVersion.pdf>

people to live, work and relax, having played a key part of the success in the Thames Gateway and of London as a world city.

Key regeneration and development opportunities will have been focused on the localities of Lewisham, Catford, Deptford and New Cross. This is due to the desire to address deprivation issues in order to improve education standards, general health and well-being, and local employment and training, through improvements to the physical and economic environment, facilitated by the availability of sites and informed by character considerations.

Deptford and New Cross will become a sustainable location with a high quality environment, where an increasing number of businesses wish to locate, and where people choose to live, supported by new community facilities and public transport. The area will build on its prestigious art and educational institutions (Goldsmiths College University of London, Trinity Laban and the Albany Theatre) to become a thriving centre for creative businesses. Both Deptford High Street and New Cross Road will be vibrant local shopping areas. Deptford High Street will sustain its role in providing a highly varied selection of goods sold by individual traders with a bustling street market at its heart.

Deptford and New Cross will have improved connected street networks, particularly walking and cycling links. Connections to the rest of the borough and London will be easier. The streets, walkways and parks will be of an excellent standard, having taken full advantage of their proximity to the River Thames and local waterways.

The north of the borough will have been transformed by the regeneration of large strategic sites that will provide new places for people to enjoy, and new facilities to support existing and new communities. New development will provide a mix of jobs, training opportunities and high quality homes including housing for families to meet local need, and will have helped to improve residents' quality of life, health and well-being. The physical environment for businesses, and availability of suitable premises will have improved. The local economy will be more diverse and will cater for new and growing sectors including green industries, and service businesses that take advantage of the area's close proximity to central London, and will cater for traditional industrial activities and sites accommodating necessary infrastructure essential to the functioning of London. Millwall Stadium will become an attractive and inclusive leisure destination for all the community. Convoys Wharf will see the re-opening of wharf uses to provide a sustainable facility for the river transport of cargo in association with a new mixed use development providing local jobs and new homes.

- 5.3 The spatial strategy is intended to ensure sustainable growth and development takes place where it can be accommodated, while at the same time protecting and enhancing local and historic character and those areas of the borough where development should be carefully managed. The Lewisham Spatial Strategy focuses growth and larger scale development in the north of the borough on the localities of Lewisham, Catford, Deptford and New Cross/New Cross Gate. These are identified as 'regeneration and growth areas' because they benefit from higher levels of public transport accessibility and land that is available and deliverable.

5.4 The spatial policy for the growth areas is set out at pp46-47 of the Core Strategy and for the Deptford area states that the Council will:

- *accommodate up to 2,300 additional new homes by 2016 and a further additional 8,325 new homes by 2026*
- *support a vibrant network of town centres with Deptford and New Cross/New Cross Gate designated as District Town Centres, the location for major new retail and leisure development within this area, including their contribution to the local night-time economy*
- *contain Neighbourhood Local Shopping Centres at Evelyn Street and Lewisham Way*
- *support smaller-scale local retail uses on-site where larger scale redevelopment occurs*
- *contain four strategic development sites (Convoys Wharf, Surrey Canal Triangle, Oxestalls Road and Plough Way) which will act as a catalyst for regeneration of the area*
- *support regeneration and growth through the redevelopment of designated underutilised employment sites for a mix of uses including residential and a significant element of employment space, at Mixed Use Employment Locations (MELs)*
- *contain a core supply of defined employment land at Surrey Canal which will be designated as a Strategic Industrial Location (SIL) in the London context and will only be used for employment and waste uses, capable of meeting the requirements of the London Plan for land that will meet the need to maintain the industrial and commercial functioning of London as a whole*
- *contain Local Employment Locations (LELs) at Evelyn Street, Lewisham Way and Lower Creekside in order to provide local employment opportunities and, in the case of Lower Creekside (Deptford), to ensure the retention of the creative industries*
- *retain a scattering of other small business premises where viable*
- *use development opportunities to improve connectivity throughout the area for pedestrians and cyclists and provide new accessible public spaces and contribute to improving the relationship with the River Thames*
- *contain a new railway station at Surrey Canal Road as part of the East London Line extension (London Overground)*
- *contain further and higher education facilities at Lewisham College and Goldsmiths College (University of London).*

5.5 The Core Strategy identifies strategic sites (pp135 – 157) for mixed use redevelopment schemes. The intention is that these sites should:

- make the best use of the available land
- attract further investment to the area
- increase the contribution these sites make to the vitality and viability of the local economy
- provide a 'sense of place' through new buildings and spaces

- enhance the street environment and improve the permeability and accessibility of the area by providing new landmarks and links
- address severance issues as new development will be expected to improve the connectivity of these sites with the rest of the borough
- make a contributions to improving public transport facilities and infrastructure, and to local public open spaces
- alter greatly the relationship between Deptford, New Cross and the River Thames by improved connectivity to the river

6. What plans are in place to deliver this aim?

6.1 The Core Strategy concentrates growth in the 'regeneration and growth areas', identifying five strategic sites that are considered central to delivering the strategy. Four of the five strategic sites are located in the Deptford New Cross area. These are: Convoys Wharf, Surrey Canal Triangle, Oxestalls Road (now called Deptford Wharves) and Plough Way. The fifth strategic site is Lewisham Gateway.

Deptford New Cross master plan

6.2 In 2007 the Council published its Deptford New Cross master plan. The plan included a strategic vision for the north of the borough, which aimed to '...provide a framework to guide and control future development to ensure an attractive, safe and sustainable urban environment with a strong local identity.' (pp23)

6.3 Work carried out to develop the plan showed that the north of the borough had significant strengths on which to build. The strategic vision also highlighted the need to enhance the area's transport links, foster sustainable communities, improve accessibility and develop high quality open spaces.

6.4 In 2008 the Council consulted with the community in Deptford and New Cross about plans for the area². The Council worked with local residents, businesses and voluntary groups to determine what their priorities were for the local area and to find out how these groups thought development should take place in the future. The Council used the consultation to inform the preparation of the Core Strategy, incorporating the Deptford New Cross master plan into the local development framework as part of the strategy.

6.5 The Core Strategy (pp165) sets out projected housing delivery for the borough over the period 2009/10 to 2026 of 18,165 against a London Plan target of 15,600. On the basis of this projection the strategic sites are expected to deliver 52% of the total housing provision in the borough over the plan period. The details are shown below:

6.6 The Core Strategy anticipates the following projected housing delivery from the strategic sites:

² North Deptford consultation: <http://www.lewisham.gov.uk/SiteCollectionDocuments/NorthDeptfordconsultation1.pdf>

Convoys Wharf	3,500
Surrey Canal Triangle	2,500
Oxestalls Road	1,150
Plough Way	1,500
Lewisham Gateway	800
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Total	9,450

Convoys Wharf

- 6.7 Convoys Wharf is the single largest development site in the borough. It is in the northern most part of the borough in Evelyn ward bordered by the Thames and Deptford town centre. The developers of the site intend to build approximately 3500 homes as part of the complete redevelopment of the site. It is proposed that the development will incorporate three high rise towers, new public spaces and a jetty to provide access to the Thames. The importance of the site is linked not only to size and scale of the development planned, but also to the historic significance of Deptford as a merchant and naval location, as well as the borough's connection to the Thames.

Surrey Canal Triangle

- 6.8 Permission has been granted for 2372 homes. The Developers also intend to create a new sporting destination in the north of the borough by working with the Surrey Canal Sports Foundation. The Council is working with developers to ensure that a new station is incorporated into the development at Surrey Canal, which will connect the development to the East London Line extension of the London Overground network. The Council has also committed to assisting in the land assembly required for the project to proceed.

Oxestalls Road (The Wharves)

- 6.9 Permission has been granted for 905 homes, new commercial or office space, with buildings ranging in height from 4 to 18 storeys. The development is intended to enhance the appearance of the area, as well as creating new walking and cycling routes through newly-landscaped public space.

Plough Way (Surrey Wharves)

- 6.10 Schemes on Plough way are split between three main sites (Marine Wharf East and West and Cannon Wharf) The Marine Wharf West scheme includes plans for 532 new homes, plus space for shops and businesses, with buildings ranging in height from one to eight storeys, and a new 30 metre wide landscaped pedestrian and cycle route along the former route of the Surrey Canal.

The Cannon Wharf scheme includes 679 new homes (including two tall buildings of 20 and 23 storeys), a purpose-built business centre, new social infrastructure and funding of additional landscaping along the former route of the Surrey Canal.

Plans for Marine Wharf East and are still in development but likely to include around 185 new homes plus space for shops and businesses.

7. How are these plans being implemented and monitored?

- 7.1 The Council's plans are implemented by its Regeneration and Planning Services working with public and private sector partners. The Planning Service is under a statutory duty to produce and publish an annual report. This is published in December each year and reports on the previous financial year. The Annual Monitoring Report (AMR) for the financial year 2012-13 contains information on the regeneration and growth areas identified in the Core Strategy.
- 7.2 The AMR 2012-13 summarises progress on a number of redevelopment projects in the Deptford and New Cross areas as follows:
- Deptford lounge – the town centres new landmark building and public square opened March 2012;
 - Deptford train station – new building with stair and lift access to both platforms, opened March 2012;
 - Deptford Green new Secondary school opened September 2012;
 - The Deptford Project which received planning permission in March 2012 and is due for completion mid-2014. The scheme occupies much of the area in between Deptford station, Octavius Street and the back of the Albany Theatre and includes the renovation and extension of the Grade II listed carriage ramp and the refurbishment of St Paul's House as well as the creation of new retail units and public spaces.
- 7.3 The Council is also continuing to implement a programme of improvements in Deptford Town Centre. Lewisham Council has received just over £1.5 million from the Mayor of London's Outer London Fund to make improvements to the southern half of Deptford High Street (approximately from Giffin Street down to Deptford Broadway) and to Deptford Market. The Council is contributing an additional £600,000 towards the scheme. Works are scheduled to be completed at the end of 2013.
- 7.4 30% of all residential completions in 2012/13 were located in the Deptford and New Cross area, providing 521 new homes, as follows:
- 146 units at Silwood Estate
 - 124 units at the former New Cross Hospital site
 - 97 units at Marine Wharf West, Plough Way
 - 50 units at 50-52 Trundleys Road
 - 38 units at Giffin Street Regeneration Area
 - 24 units at 124 Deptford High Street
 - 22 units at Pride of Deptford, 73-79 Childers Street
 - 20 units at 489a New Cross Road
- 7.5 An additional 389 new homes were also completed in the preceding year (2011/12)³, as follows:

³ See: <https://www.lewisham.gov.uk/myservices/planning/policy/Documents/Annualmonitoringreport201112.pdf>

- 171 units at the former Seager Distillery, Brookmill Road
- 88 units at 50-52 Trundleys Road
- 67 units at Kender Estate
- 38 units at 130 Gosterwood street
- 15 units at 27-35 Brookmill road
- 10 units at 369 Queens Road

7.6 The Council is also in the process of delivering the 'Southern Housing Sites' project in Deptford, which will be the final phase of the Deptford Town Centre regeneration programme. Officers are currently in negotiation to develop the former Tidemill school site and Amersham Vale to provide 300 new homes.

Implementation of Core Strategy objectives

7.7 The Core Strategy is a plan for growth in housing, employment and retail and the majority of this growth is to be delivered in the 'regeneration and growth areas' noted in section six. An important part of the process for agreeing upon the strategic sites was ensuring that they were of a sufficient size and significance to 'play a crucial role in place making by creating new places and enabling a transformation of the wider area' (Core Strategy paragraph 8.2). To achieve this, significant investment will be required in new infrastructure. For example, at Surrey Canal Triangle a new Overground station; at Convoys Wharf a new school; at Oxestalls Road and Plough Way; creating new open space and pedestrian and cycle routes along the line of the former Surrey Canal; and at Lewisham Gateway providing a new road alignment and relocating the confluence of the two rivers into a new park.

7.8 The strategic sites are designated for mixed use redevelopment. They will provide a variety of land uses, including residential, business, leisure, retail and open space. The mix of uses is intended to create interesting, successful places, however, the business and employment component of these sites are often not viable in their own terms and therefore cross subsidy is usually required from the residential element of each scheme.

7.9 Two key mechanisms exist that enable the Council to secure contributions from developers towards infrastructure and the delivery of Core Strategy objectives. So called 'section 106 agreements' (S106), which are covered by the legal framework set out in the Town and Country Planning Act 1990 (substituted by the Planning Compensation act 1991 and Circular 05/2005) are a mechanism by which the Council can secure contributions from developers for local infrastructure and the delivery of the Core Strategy objectives. The legal framework sets out the conditions for receiving S106 funds and it ensures that planning obligations created under S106 are related to the needs and demands of a development. S106 agreements might deliver specific projects such as those set out above or they might require a contribution to be made towards the development of local infrastructure, transport, highways, affordable housing or improvement of public spaces. In 2011-12 the Council secured £32 million of

S106 contributions to be delivered during the construction of the approved schemes located in the Deptford New Cross area.

7.10 The Council is also working towards the introduction of a Community Infrastructure Levy in spring 2014. The framework which introduced the levy, and which governs its implementation, is contained in the Planning Act 2008 and the Community Infrastructure Levy Regulations 2010 (as amended). The levy is charged on most new developments which have an internal area greater than 100sq. metres and it is charged per square metre basis. The levy is designed to pay for essential infrastructure, partially superseding S106 agreements, which are focused on delivering site specific improvements and affordable housing.

8. Have these plans been adapted to take account of the current economic/housing climate?

8.1 The Council's planning strategy is for development in the borough over the 15 year period 2011-2026 and there are likely to be a number of economic cycles during this time period. Policies are therefore worded to take account of the financial viability of a development, which will be dependent on changes in the costs of delivering a scheme and the revenue generated when a scheme is completed. The delivery of the plans for Deptford and New cross will take place over several years and the Council will assess the costs and revenue assumptions of each development as it is considered for planning permission.

8.2 There are several different sets of costs that might change with the economic climate. These include: the cost of purchasing land for development, design and construction costs (including any unusual costs such as site decontamination), finance/borrowing costs and disposal costs. Financial and in-kind contributions to mitigate the impact of the proposed development through a S106 package will also be part of the cost of a development.

8.3 The anticipated revenue expected from a development will also be subject to change. The income from the sale of private and affordable housing, grant funding for the affordable housing (if available), and rent/sales from non-residential space are all variable sources of revenue. Changes to the costs of delivering a scheme, as well as the delivery of its construction programme and the delivery of larger developments in phases will have an effect on the financial viability of a development.

8.4 The affordable housing component of major developments is usually the largest cost for a developer and the most often cited reason for schemes being considered unviable. The value of an affordable housing is less than that of a similar sized private housing unit to a developer. Whereas in the past the affordable element could be supported by grant funding from the Homes and Communities Agency this is now much reduced and normally unavailable in S106 schemes. So a greater level of funding from the sale of private housing is required to bridge the gap between private and affordable values. If costs remain

unchanged the effect is that scheme viability (i.e. the return to the developer) is reduced⁴.

- 8.5 Some developers might anticipate that sales values will increase during the delivery of their development, thereby enabling them to accept a lower initial level of return in anticipation of increased values and overall return on completion of the scheme. Funders however might take a different view and regard the scheme as higher risk and less attractive as an investment. This could be reflected in borrowing costs, which will also impact on viability. One of the effects of the economic downturn has been that, as well as the availability of funding being tighter, particularly for more risky projects, residential sales were more sluggish meaning that the period between paying design/construction costs and making money from selling properties became extended. Again, this has impacted on scheme viability and potentially on affordable housing provision.
- 8.6 Given the number of different factors involved in examining proposals from developers, adjustments to key assumptions can also make a difference to overall viability. Clearly, developers can secure significant returns on successful developments and when assessing planning applications the Council needs to take a balanced view of the scheme, informed by the overall viability of the development.
- 8.7 Planning applications for major schemes are supported by a financial appraisal that is reviewed by specialist consultants appointed by the Council to verify the costs, values and other assumptions made by the developer. The consultant works with the applicant's financial advisor, with a planning officer in attendance, at an early stage in the process and through a series of challenges helps to shape the content of the viability information. The consultant's findings are made available, on a strictly confidential basis, to members of the Strategic Planning Committee when applications are reported to them. Where the financial appraisal demonstrates that the maximum amount of affordable housing that a scheme can reasonably support is below the policy target then a financial review mechanism is agreed with the developer to secure funding towards the provision of additional affordable housing. This requires further financial appraisals to be undertaken as the phases of the scheme progress and this forms part of the S106 agreement.
- 8.8 The Government has set out a number of proposals to radically reform the planning system. Most of the proposals are based on the assumption that the reforms will speed up the planning process and this will assist economic growth. Some proposals have already been enacted, including allowing developers to apply to the Council to modify/discharge existing S106 obligations in certain circumstances including where the affordable housing agreement has made large scale redevelopment unviable. The Council has adopted a robust approach to viability considerations and no major scheme in Lewisham has requested a renegotiation of the S106 to date.

⁴ The GLA/HCA funding model indicates a profit of around 17% profit on cost (20% on gross development value) as a reasonable level of return to a private developer.

9. What is the Council’s approach to managing development in Deptford and New Cross?

9.1 The Core Strategy and its supporting documents provide the vision, objectives and policies for managing development across the borough, including in Deptford and New Cross. As set out in the preceding sections, the Council deals with each planning application within the current context/financial climate in which it is submitted, in line with the objectives of the Core Strategy . The policies set out in the Core Strategy are used to direct decision making, in discussion with applicants and other stakeholders. The management of development is an evidence based process, in which applicants must demonstrate that their plans are appropriate for the area of the borough in which they are intended to be delivered.

9.2 A small ‘Growth Area’ team has been established in the development management section of the Planning Service. This team takes a lead on negotiations for major planning applications within the growth areas of the borough. The approach to major applications is to encourage pre application discussion with the applicant, ensure there is an understanding of the Council’s objectives and identify and solve issues and problems as soon as possible. If possible the planning service will enter into a Planning Performance Agreement with the applicant which will specify the timetable for dealing with the application.

10. What is the Council’s target for the provision of affordable housing in Deptford and New Cross?

10.1 Lewisham’s Core Strategy Policy 1 states that the Council will seek the maximum provision of affordable housing with a strategic target for 50% affordable housing from all sources. Contributions to affordable housing will be sought on sites capable of providing 10 or more dwellings and the starting point for negotiations will be a contribution of 50% affordable housing on qualifying sites across the borough. However, the policy states that “this would be subject to a financial viability assessment” in accordance with national and local policy as described above.

Affordable housing definitions

Social rented – This covers homes owned or managed by registered providers such as councils and housing associations which are let at below market rents at levels set using a national formula (known as target rents).

Affordable rented – This covers homes owned or managed by registered providers such as councils and housing associations (and managed and maintained in the same way as social rented homes) but which are let at up to 80% of local market rents, rather than at the social rented level.

Intermediate housing- this covers homes let above social rented levels but below market levels (and includes affordable rented homes) but also covers homes that can be bought at less than market prices through shared ownership or shared equity arrangements.

- 10.2 To ensure a mixed tenure and promote mixed and balanced communities Core Strategy Policy 1 states that the affordable housing component is to be provided as 70% social rented and 30% intermediate housing. However where a site falls within an area that has existing high concentrations of social rented housing, the policy states that the Council will seek for any affordable housing contribution to be provided in a way that assists in securing a more balanced social mix. This may include a higher percentage of intermediate housing or other arrangements as considered appropriate.
- 10.3 In both the Core Strategy and the Mayor of London's London Plan, affordable housing is described as social rented, affordable rented and intermediate housing provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. The definition includes provisions for homes to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.
- 10.4 In 2011 the Homes and Communities Agency (HCA) developed an affordable rent model whereby rents can be set as high as 80% of local market rents and on shorter terms (up to a minimum of two years)⁵ and has stated that there must be specific circumstances for it to agree to set rents at less than 80% of local market rents in new developments. Following on from this, the Revised Early Minor Alterations (REMA) to the London Plan published in October 2013 reflects the new affordable rent model, expanding the definition of affordable housing to include rents up to 80% of local market rates⁶.
- 10.5 The Council does not feel that rents which are 80% of the local market rate are affordable and agreed in April 2011 that it would only support new developments if they deliver new affordable homes at rent levels that tenants and housing applicants can afford. The view of the Council is that housing costs should be met within a range of 30%-40% of net disposable income; and that it will work with providers on a scheme by scheme basis to minimise 80% rents and ideally set a range of rents up to 60% but no higher unless agreed as an exception. The Council will not support schemes where all rents are at 80% of local market rents⁷.
- 10.6 London boroughs' local plans need to be in general conformity with the London Plan. However, several London boroughs object to the new affordable rent model being classed as 'affordable housing' in the London Plan and eight boroughs: Brent, Camden, Hackney, Islington, Lambeth, Royal Borough of Greenwich, Southwark and Tower Hamlets have given the Mayor of London formal notice

⁵ See: <http://www.homesandcommunities.co.uk/ourwork/affordable-rent>

⁶ See: http://www.london.gov.uk/sites/default/files/REMA%2011%20October%202013_0.pdf Page 15

⁷ See: <http://councilmeetings.lewisham.gov.uk/documents/s2706/Housing%20Reform.pdf>

that they intend to judicially review his decision⁸. In Lewisham, despite the government and GLA guidance on the issue, no scheme has been consented to date which secures rents above 60% averaged across the site.

11. How well is the Council meeting its affordable housing targets?

11.1 The Planning Service Annual Monitoring Report (AMR) sets out details of affordable housing provision annually. The table⁹ below from the 2011-12 AMR provides details of net housing completions and affordable housing completions from 2005/06 to 2011/12. The AMR data shows that affordable housing provision as a percentage of net housing completions was: 41% in 2007/8; 25% in 2008/9; 21% in 2009/10; 49% in 2010/11 and 47% in 2011/12.

Net Housing Completions 2005/6 to 2011/12

Year	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12	TOTAL
Social rented	242	107	278	69	87	259	357	1,399
Inter-mediate	4	16	128	159	81	100	197	685
Ratio	98:2	87:13	68:32	30:70	52:48	72:28	64:36	67:33
Total affordable	246 (25.4%)	123 (35.4%)	406 (41.5%)	228 (25.1%)	168 (21.5%)	359 (49.3%)	554 (47%)	2,084 (35.3%)
Total new dwellings (net supply)¹⁰	967	347	978	909	782	728	1,188	5,899

11.2 The 2012/13 AMR is due to be published at the beginning of December. Available figures indicate that there were 564 net affordable housing completions in 2012/13 (615 built, with a loss of 51 units), which represents 33% of net completions.

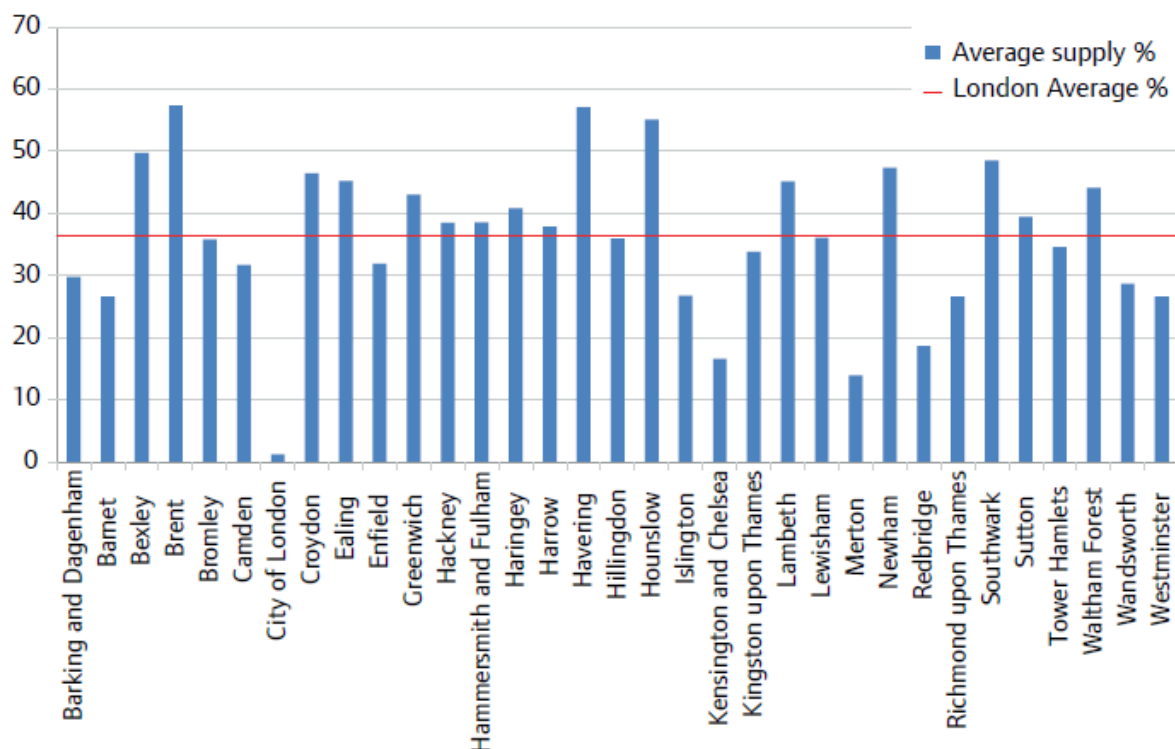
11.3 The graph below is taken from the London Plan annual monitoring report 2011-12¹¹ and gives a London-wide perspective. It shows that over the three years 2009/10 to 2011/12 the percentage of new housing available in Lewisham that was affordable was 36%, roughly in line with the London average of 38%.

⁸ See: http://www.southwark.gov.uk/news/article/1387/councils_to_take_mayor_of_london_to_court_over_affordable_rents

⁹ Annual Monitoring Report 2012-13 Table 5.2 (p 56)

¹⁰ Conventional supply (new dwellings)

¹¹ See: <http://www.london.gov.uk/sites/default/files/archives/AMR%209.pdf> pages 26-29



Source: London Development Database

- 11.4 What is evident from this data is that the level of affordable housing varies on a year-to-year basis. The additional grant funding injected by the last government into schemes where construction commenced over the past four years resulted in a relatively high affordable percentage in 2010/11 and 2011/12 but this impact is now reducing as these schemes are completed. The affordable housing figures for the past 6 years show that the Council has not been able to achieve its 50% strategic target. There are a number of reasons for this, including the adverse impact on viability of the withdrawal of public subsidy. The HCA/GLA 2011-15 Affordable Housing Programme resulted in a reduction to the average level of grant by about 60% for social rented housing from previous HCA funding. In Lewisham the average grant per unit in 2008-11 was approximately £94,000 and by 2012-13 this had reduced to £30,000 per unit. One consequence of this change has been that nationally affordable housing starts reduced from 16,331 in 2010/11 to 4,372 in 2011/12.
- 11.5 In parallel with the reduction in capital funding for affordable housing the Government introduced a new concept of affordable housing as described above. It was defined by the Government in the national planning policy framework (NPPF) published in March 2012 and for planning purposes it has to be accepted as affordable housing in the same way as social rented housing.
- 11.6 The Affordable Rent Model consists of a delivery model that allows for a higher proportion of delivery costs to be met by borrowing on future rental receipts and existing assets, supported by a rental model that collects higher amounts than conventional affordable housing by charging up to 80% of market rent. The programme has enabled the Department for Communities and Local Government to pledge the delivery of 20,000 more new affordable homes nationwide than the initial Comprehensive Spending Review target of 150,000. In London, this will mean the delivery of 16,130 affordable homes to rent, with a further 5,726 affordable homes to own. However, at up to 80% of local market rent, few of

those in conventional housing need can afford the new rent. The government changes to benefits including a cap on housing benefit will also impact on those who will be able to access the affordable rent if changed at the maximum 80% of local private rents.

11.7 From the 20 development sites where affordable housing was secured by S106 agreement in 2011-12, 560 affordable homes will be for rent and 579 will be intermediate homes. Sites that provided more than 20 affordable housing units include:

- Surrey Canal Triangle (237).
- Excalibur Estate Regeneration project (228).
- Oxestalls Road (189).
- Cannon Wharf (117).
- Marine Wharf West (103).
- Thurston Industrial Estate (90).
- Former United Dairies Depot (38).

11.8 Appendix 1 includes information from the upcoming 2012-13 AMR. It details the level of affordable housing provision anticipated from major developments in Deptford and New Cross in the next 20 years.

12. Is the Council using all of its powers to ensure that developments are in line with its strategic plans?

12.1 Almost all new developments must apply for planning permission. In applying for permission, prospective developers must provide details about their plans to the Council. Planning officers will then assess those plans to make sure they are in line with Lewisham's agreed local development framework. In small scale cases planning officers will decide whether permission should be granted under delegated authority.

12.2 Usually, it is a requirement for applicants to consult with their neighbours/the local community about their plans. The Council also notifies neighbours that they are considering a planning application in the area. Residents have the right to object to planning permission, or to request that changes be made.

12.3 Some planning applications are decided by one of the Council's three planning committees. The Council's constitution states that each committee should consist of ten members, including no more than one member from each Council ward. Under the principles established by the Council's 'Statement of Community Involvement', cases are considered by planning committees if (a) there are three valid objections from local residents; or (b) a single objection from an amenity panel. However, the Council has recently completed a consultation on changing these rules to delegate all decisions to senior officers with the exception of a call-in right for Councillors. A written request from a Councillor will ensure that the decision will be made by a planning committee. A decision on whether to adopt these changes is expected early in the new year.

12.4 When a decision is to be made by a planning committee, the Council's planning officers provide a report to the Committee setting out the details of the scheme, alongside an assessment of the ways in which the proposals fit (or not as the case may be) with the Council's development framework. Based on the evidence provided, taking into account all relevant considerations, officers recommend whether or not permission should be granted. It is then for the Committee to decide whether or not they consider that the application in question is compatible with the Council's statutory plans for the borough.

12.5 Planning decisions must be made in line with the Core Strategy and with regard to all 'material considerations'. This means that, when officers or planning committees decide on planning applications, they must be able to clearly justify how their decision relates to the appropriate agreed plans for the area. The following material considerations are relevant in most planning applications:

- national planning policy and advice
- local planning policies
- draft policy
- the environmental, social and economic impacts of the proposal (including overlooking/loss of privacy/Loss of light/ overshadowing)
- access and provision of infrastructure for the site
- the design of the proposal
- the planning history of the site
- the views of organisations and individuals, in relation to relevant planning matters.

12.5 The following issues are not material considerations for planning decisions:

- loss of views (unless a view is identified and protected in a development plan document)
- competition between businesses
- moral considerations (for example, religious objections to licensed premises)
- political or ideological opinions
- the cost of the development
- whether or not the applicant owns the site
- negative effect on the value of properties
- applicant's personal circumstances (unless exceptional such as relating to a physical disability)
- business competition
- "too many already"
- damage to property fears
- disturbance during building works
- issues covered by other legislation (for example Building Regulations).

12.6 The Council's constitution states that the Strategic Planning Committee should include 10 members of the Council, including the chairs of the other planning committees, five other planning committee members and two members of the Executive. The Committee's principal function is to consider planning applications which are of strategic importance or which will have a significant impact on the borough. The Head of Planning and the Head of Transport and Engineering (in

relation to highways matters) may also decide that issues should be dealt with by the Strategic Planning Committee.

12.7 The Localism Act has placed a legal duty on developers of larger scale developments to consult local communities before submitting a planning application; and the Council has an important role to play in making sure that adequate and effective consultation takes place. Pre-application consultation provides local communities with an opportunity to raise early objections, with a view to shaping a developer's proposals. The Localism Act also created a new impetus for Councillors to become 'community advocates' and one of the aims of the new proposals is to enhance democratic decision making and to bring decisions of importance before Members.

12.8 The Mayor of London also has the authority to issue a direction to any London local planning authority that he intends to determine a planning application (under article 7 of the Town and Country Planning (Mayor of London) Order 2008). Before issuing such an order, the Mayor must be satisfied that¹²:

'(a) the development or any of the issues raised by the development to which the application relates is of such a nature or scale that it would have a significant impact on the implementation of the spatial development strategy;

(b) the development or any of the issues raised by the development to which the application relates has significant effects that are likely to affect more than one London Borough; and

(c) there are sound planning reasons for issuing a direction.'

12.9 The Mayor of London has recently issued a direction to the Council with a notification that he intends to act as planning authority for the Convoys Wharf development.

13. Financial implications

13.1 There are no financial implications arising from the implementation of the recommendation in this report.

14. Legal implications

14.1 There are no specific legal implications arising from this report.

15. Equalities implications

15.1 The Equality Act 2010 (the Act) brings together all previous equality legislation in England, Scotland and Wales. The Act includes a new public sector equality duty (the equality duty or the duty), replacing the separate duties relating to race, disability and gender equality. The duty came into force on 6 April 2011. The new duty covers the following nine protected characteristics: age, disability, gender

¹² Town and Country Planning (Mayor of London) Order 2008:
http://www.legislation.gov.uk/uksi/2008/580/pdfs/ukxi_20080580_en.pdf

reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

15.2 In summary, the Council must, in the exercise of its functions, have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- advance equality of opportunity between people who share a protected characteristic and those who do not.
- foster good relations between people who share a protected characteristic and those who do not.

15.3 As was the case for the original separate duties, the new duty continues to be a “have regard duty”, and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.

15.4 The Equality and Human Rights Commission issued guides in January 2011 providing an overview of the new equality duty, including the general equality duty, the specific duties and who they apply to. The guides cover what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guides were based on the then draft specific duties so are no longer fully up-to-date, although regard may still be had to them until the revised guides are produced. The guides do not have legal standing unlike the statutory Code of Practice on the public sector equality duty,

16. Environmental implications

16.1 The Council works closely with environmental specialists to ensure that environmental concerns are taken into consideration as part of any regeneration project. The environmental impact of any future development proposals are given due consideration as part of the future proposals.

17. Crime and disorder implications

17.1 Regeneration delivers physical improvements to local areas and this can reduce crime and antisocial behaviour. Due consideration is given to crime and disorder implications throughout regeneration projects, both in terms of the planning and design for future development, and during the works themselves.

Background documents

Core strategy (adopted June 2011)

<http://www.lewisham.gov.uk/myserVICES/planning/policy/Documents/CoreStrategyAdoptedVersion.pdf>

Annual monitoring report 2011-12

<https://www.lewisham.gov.uk/myserVICES/planning/policy/Documents/AnnualMonitoringReport201112.pdf>

Lewisham's private sector housing strategy (2009)

<http://www.lewisham.gov.uk/mayorandcouncil/aboutthecouncil/strategies/Documents/PrivateSectorHousingStrategy2009.pdf>

Affordable housing viability study (2009)

<http://www.lewisham.gov.uk/myserVICES/planning/policy/Documents/AffordableHousingViabilityStudy2009.pdf>

Lewisham's draft statement of Community Involvement (2013)

<http://www.lewisham.gov.uk/myserVICES/planning/policy/LDF/Documents/DraftRevisedStatementOfCommunityInvolvement2013.pdf>

Housing Reform: report to Mayor and Cabinet (April 2011):

<http://councilmeetings.lewisham.gov.uk/documents/s2706/Housing%20Reform.pdf>

Other Sources

Probity in planning for councillors and officers

http://www.local.gov.uk/c/document_library/get_file?uuid=e0cde66c-8cda-4f56-b784-a45cdd41f089&groupId=10180

How planning works (LGA)

http://www.pas.gov.uk/c/document_library/get_file?uuid=ada0ee5a-61e2-4269-9cb9-e23571240bd5&groupId=332612

Localism Act (2011)

http://www.legislation.gov.uk/ukpga/2011/20/pdfs/ukpga_20110020_en.pdf

Planning Advisory Service: councillor briefings

http://www.pas.gov.uk/councillors-page/-/journal_content/56/332612/15306/ARTICLE

The London Plan

<http://www.london.gov.uk/priorities/planning/london-plan>

Revised Early Minor Alterations (REMA) to the London Plan

<http://www.london.gov.uk/priorities/planning/london-plan/early-minor-alterations>

Inspector's report into REMA

http://www.london.gov.uk/sites/default/files/REMA%20Inspector%27s%20report%20to%20the%20Mayor%2019%20June%202013_0.pdf

Southwark Council: 'Councils to take Mayor of London to court over affordable rents'
http://www.southwark.gov.uk/news/article/1387/councils_to_take_mayor_of_london_to_court_over_affordable_rents

If you have any questions about this report please contact the Overview and Scrutiny team on 0208 3149455

Developments in Deptford and New Cross with planning permission in the past five years

Appendix 1

	Date of permission	Total residential content	Affordable units	Social rent	Intermediate	Affordable rent	Percentage of affordable	Date of completion
Surrey Canal Triangle	30/03/2012	2,372	237	60	177	0	10 (12% by hab rooms)	2028/2029
Oxestalls Road	30/03/2012	905	189	0	128	61 ⁺²	21	2024/25
Cannon Wharf	30/03/2012	679	117	22	95	0	17	2019/20
Marine Wharf (West)	20/09/2011	532	103	78	25	0	19	2015/16
7-17 Yeoman Street	30/03/2012	33	7	0	7	0	21	2014/15
Grinstead Road	30/03/2012	199	23	14	9	0	12 (17% by hab rooms)	2015/16
130 Gosterwood Street	01/10/2010	38	38	38	0	0	100	2011/12
73 - 79 Childers Street (Pride of Deptford)	29/03/2011	22	22	14	8	0	100	2015/16
Bond House	21/03/2012	78	13	8	5	0	17 (20% by hab rooms)	2014/15
Goodwood Road	16/03/2012	148	15	0	15	0	10	2014/15
Batavia Road	19/03/2012	114	13	13	0	0	11 (12% by hab rooms)	2014/15
Faircharm	15/10/2013	148	21	0	0	21 ⁺¹	14	2019/2020
Seager	07/04/2009	303	96	38	58	0	32 (35% by hab rooms)	2013/14
Deptford Project	22/03/2012	132	8	0	8	0	6 (7% by hab rooms)	2014/15

Developments in Deptford and New Cross with planning permission in the past five years

Appendix 1

Giffin Street	01/12/2008	38	38	0	38	0	100	2016/17
Kender 3	07/07/2009	67	30	19	11	0	44	2010/11
Kender 4	18/03/2013	204	150	120	30	0	74	2015/16
Wardalls Grove (New Cross Hospital)	24/03/2011	124	37	21	16	0	30	2011/12
Silwood (phase 4c)	19/11/2010	146	146	59	87	0	100	2012/13
50-52 Trundley's Road	17/09/2012	138	0	0	0	0	0* ¹	2012/13
27-35 Brookmill Road	11/11/2008	20	20	10	10	0	100* ²	2011/12
489a New Cross Road (Theatre Place)	03/08/2009	20	4	4	0	0	20	2013/14
Total		6460	1327	518	727	82	21	

*¹ £1,500,000 off-site provision

*² linked to Conington Rd development

*¹ capped at 60% of market value

*² capped at 80% of market value, but averaged across the site at no more than 60%

Note: the difference between percentage of affordable housing and habitable rooms occurs when there is a difference between the percentage of affordable units in a development and the percentage of affordable rooms. This is most often occurs when developers are required to provide larger (3-4 bedroom) homes as part of a development – which might result in a development containing a smaller overall percentage of larger homes.