

<b>MAYOR AND CABINET</b>		
<b>Report Title</b>	<b>Response to Strategic Planning Committee – Affordable Housing</b>	
<b>Key Decision</b>	<b>YES</b>	<b>Item No.</b>
<b>Ward</b>	<b>All</b>	
<b>Contributors</b>	<b>Executive Director Resource and Regeneration</b>	
<b>Class</b>	<b>Part 1</b>	<b>Date: 10 July 2019</b>

## **1. Background**

1.1. At its meeting on the 24th April 2019 Mayor and Cabinet unanimously agreed the following recommendations put forward by the Strategic Planning Committee on 5th March 2019:

- Approve the preparation of a document which should if possible, take the form of a full supplementary planning document (SPD) setting out this council's interim position on the provision of genuinely affordable housing ahead of the new local plan. This process is currently estimated to take 9 - 12 months from a mayor and cabinet decision and thereafter should start as soon as possible
- Make available the necessary resources to undertake this work. The planning service should be properly resourced to complete the preparation of the SPD and interim policy statement as soon as possible
- Note any financial and legal implications of producing an interim policy on the provision of genuinely affordable housing.
- Ahead of the above SPD officers should be asked to prepare a statement of intent on the future direction of affordable housing provision and requirements in the London borough of Lewisham for consideration by full council. This should be prepared as soon as possible. This will need to be grounded in the new corporate strategy, and based on a sound evidence base and legal advice. Production is expected to take two months
- To resolve that genuinely affordable housing in the Lewisham context is regarded by the Council as social rented housing with rent levels between local target rents and London Affordable Rent as set out in paragraph 6.13 of the report to strategic planning committee
- Note the practical considerations which the strategic planning committee and other committees will have to take into account when considering specific planning applications as set out in paragraphs 7.4 and 7.5 of the report to the Strategic Planning Committee.
- To review the inclusion of shared ownership as part of the affordable housing definition in annex 2 of the report to the Strategic Planning Committee

- Mayor and Cabinet to consider and clearly define a preferred mix of tenures within the London borough of Lewisham, e.g. more genuinely affordable units and fewer units below market rents
- The cost of student accommodation in Lewisham's halls of residence to be an affordable percentage of the student loan. The head of planning to circulate proposed wording of recommendation and discuss with the chair of the SPC
- Securing, where possible, advance valuations of properties coming to market in the borough in order to seek to establish existing use values of land and buildings early in the development process and notifying these to vendors and asking them to pass the information on to potential purchasers, requiring that planning applications accompanied by financial viability assessments must be submitted with a statutory declaration from the author confirming that the inputs, assessment and overall conclusion are a true and fair representation and are not altered in any way to influence the viability position.
- Where agreed by the chair of any of the planning committees and the head of planning, major applications would undergo a pre-committee informal briefing including attendance by the viability assessor when appropriate.

1.2. The recommendations above will play an important role in delivering the Council's Corporate Strategy 2018-22. Particularly in "tackling the housing crisis and ensuring everyone has a decent home that is secure and affordable" – Lewisham's Council's Corporate Strategy 2018-22.

## **2. Purpose**

2.1 The purpose of this report is to provide an update to progress made responding to these recommendations.

## **3. Recommendations**

Mayor and Cabinet is recommended to;

3.1 Note the progress made as set out in this report and the use of once-off reserves and provisions to fund this work.

## **4. Update**

### Interim Policy position

4.1 Officers are currently scoping the interim policy statement and preparing a project programme.

### Evidence Base

4.2 The National Planning Policy Framework (NPPF) (2019), paragraph 31, requires that the preparation and review of all policies to be underpinned by

relevant and up-to-date evidence.

- 4.3 The SPC acknowledged that the production of an interim policy position on affordable housing would require a sound evidence base. Officers have now agreed the evidence required and are progressing as follows:
- Local Strategic Housing Market Assessment (SHMA)
- 4.4 As part of the preparation of the Local Plan a Local SHMA is currently being prepared to assess the future housing need within the borough including assessing the need of affordable housing. Further to the SPC recommendations officers have extended the scope of this study to examine in more detail and at a more granular level the relative affordability of affordable products for Lewisham residents.
- 4.5 Initial findings from the DRAFT Local SHMA suggest a significant shortfall of affordable housing based on projected need and anticipated delivery from historic trend based assumptions.
- 4.6 The analysis also raises concerns over the relative affordability of accommodation across most tenures within the Borough, and particularly for those on lower quartile household incomes. For these households Social Rent and London Affordable Rent products are the only affordable tenure option.
- Viability evidence
- 4.7 The production of an Interim position on Affordable Housing must have regard to relevant requirements in National and Regional planning policy and demonstrate that it does not unduly compromise deliverability. As such the Interim policy must be supported by sufficiently robust viability evidence to withstand scrutiny at consultation and/or challenge from developers during the development management process.
- 4.8 Officers have prepared the project brief for the viability evidence and will commence with the procurement of a suitably qualified and experienced consultant to undertake the work in the next few months.

### Resources

- 4.9 Officers have prepared the necessary business case for additional funding to support the production of the interim policy statement. This includes an additional FTE post and funding for additional evidence base.

### Statement of intent

- 4.10 Officers are currently preparing a statement of intent that will re-iterate the councils existing planning policies and its corporate position on affordable housing.
- 4.11 The statement will note that significant weight will be placed on the housing

crisis, the widening gap between incomes and housing costs and as such the provision of affordable housing will be a material consideration when determining planning applications.

### Viability statements

- 4.12 Officers have now updated Lewisham's planning validation requirements to ensure that applications accompanied by financial viability assessments must be submitted with a statutory declaration from the author confirming that the inputs, assessment and overall conclusion are a true and fair representation and are not altered in any way to influence the viability position.

## **5. Financial Implications**

- 5.1 As per 4.10 officers have prepared the necessary business case for additional funding of £122,044 to support the production of the interim policy statement. This is not budgeted for within the planning service and will therefore be a draw on Council's once-off reserves and provisions in 2019/20 to fund this work.

## **6. Legal Implications**

- 6.1 There are no direct legal implications relating to this update

## **7. Crime and Disorder Implications**

- 7.1 There are no direct implications relating to crime and disorder issues.

## **8. Equalities Implications**

- 8.1 The Equality Act 2010 (the Act) brings together all previous equality legislation in England, Scotland and Wales. The Act includes a public sector equality duty which covers the following nine protected characteristics: age; disability; gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 8.2 The Council must in the exercise of its functions, have 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.

8.3 The Council's Comprehensive Equality Scheme for 2016-20 provides an overarching framework and focus for the Council's work on equalities and helps ensure compliance with the Equality Act 2010.

8.4 There are no equalities implications arising from this update to Mayor and Cabinet.

## **9. Environmental Implications**

9.1 There are no direct implications relating to environmental issues.

## **10. Conclusion**

The Mayor and Cabinet is recommended to;

10.1 Note the progress made as set out in this report.

### **Contact details for the report author**

If you have any queries on this report, please contact David Syme, Strategic Planning Manager, 2nd floor Civic Suite, Catford Road, Catford SE6 4RX, email [David.syme@leiwsham.gov.uk](mailto:David.syme@leiwsham.gov.uk)