

# Elephant & Castle Masterplan Housing Workshop



**Duncan Bowie, Senior Lecturer, Westminster University**  
**Cllr Fiona Colley, Cabinet Member for Regeneration, LB Southwark**  
**Rob Heasman, Land and Planning Director, Lend Lease**

31 January 2012



## AGENDA

1. Welcome and introductions
2. Policy context – Duncan Bowie, University of Westminster
3. Southwark context – Cllr Fiona Colley, LB Southwark
  - a. Southwark's affordable housing enabling role
  - b. Planning policy - current position and maintaining future supply of affordable homes
4. The masterplan approach – Rob Heaseman, Lend Lease
5. Closing remarks

# Housing and planning policy reforms

**Duncan Bowie**  
**University of Westminster**

# **Social housing: Rents policy**

- **LA and HAs had freedom to set rents**
- **Target rent system introduced for all LA and HA rents in 2001**
- **Formula based on household income (75%) and property value (25%) – limited rent increases to inflation + 1%**
- **New Government. The concept of ‘affordable rent’ Rents for new tenants can be up to 80% of market rents.**

# **Social housing: security of tenure**

- **Assured tenancies**
- **Probationary tenancies**
- **Minimum security for new tenants - 2 years?**

# **Social housing: Allocations**

- **In the past allocations based on priority needs**
- **From 'points' schemes to 'choice based' lettings**
- **Pooling and mobility**
- **Increased Local Authority flexibility to set allocations policies**
- **Income thresholds; Residence restrictions; Employment related priority**
- **Priority for tenants with right to return**

# Intermediate housing

- **The key workers housing scheme**
- **Intermediate rent – the 80% market rent assumption**
- **Shared ownership**
- **Open market homebuy**
- **Levels of affordability**
- **Service charges**

# Supporting home ownership

- **Discounted sale of council homes**
- **Tenants Incentive Scheme (TIS)**
- **Mortgage Income Relief at Source (MIRAS)**
- **The exemption of first homes from capital gains tax**
- **Stamp duty exemptions in times of recession**
- **The revival of right to buy – higher discounts proposed**

# The Private rented sector

- **Very little rent control since 1957**
- **Controls over Houses in Multiple Occupation**
- **Voluntary licensing schemes**
- **Private sector leasing by LAs**
- **Subsidy through housing benefit – housing allowance system - but now capped**
- **Recent growth in London PRS market**

# Housing investment

- **Government subsidy originally for social rented housing only**
- **Introduction of funding for shared ownership and intermediate rent**
- **Funding now focused on ‘affordable rent’ programme**
- **Levels of grant available cut**
- **From the ‘total cost indicator’ system (TCI) to ‘competitive bidding’**
- **Funding opened up to private developers**

# Forms of subsidy

- **From bricks & mortar subsidy to income support**
- **Overall HCA London budget cut by 80% between 2008-12 and 2012-15**
- **End of subsidy for HA social rent**
- **Increased dependency on income support/ housing benefit worsens the poverty trap**
- **End of specific estate regeneration funding (such as New Deal for Communities, Single Regeneration Budget)**
- **End of Private Finance Initiative credits**

# **The New Government's other housing reforms**

- **Affordability and benefit caps in higher value areas**
- **Conversion of existing social rented stock to 'affordable rent'**
- **Amending Planning Policy Statement 3 - affordable housing includes 'affordable rented' housing**
- **The impact on policies to promote mixed and balanced communities**
- **Housing Revenue account Self-financing / end of HRA subsidy**
- **Opportunities & risks for local housing authorities**

# Planning Gain

- **Using residential value to support:**
  - **Affordable housing**
  - **Social infrastructure**
  - **Transport infrastructure**
- **Estate Regeneration**
- **Planning gain relies on house-price inflation**

# **The Coalition Government's Approach to Planning**

- **Abolished national housing targets**
- **Incentives: The New Homes Bonus**  
**Neighbourhood component of CIL**
- **Weakens national planning guidance**
- **Weakens nationally determined standards**
- **Abolishes regional planning (London as exception)**
- **Focus on more flexibility for Local Authorities**
- **But double devolution shifting power to neighbourhoods**

# **The Localism Act and Neighbourhood planning**

- **Resident led plans**
- **Bermondsey and Bankside pilots**
- **General Conformity with LA local plans**
- **Flexibility on content – no need to be comprehensive**
- **Resident referenda on new schemes**

# Overall Themes

- **Separation of housing strategy/housing provision**
- **Reducing/terminating direct public subsidy**
- **‘Residualisation’ of council stock**
- **‘Deregulation’**
- **‘Marketisation’**
- **Focus on promoting home ownership**
- **Localisation**

# Policy issues for the Heygate

- **Replacement of affordable housing within pre-existing estate**
- **Mix of social rent /‘affordable rent’ shared ownership and market homes**
- **Residential density**
- **Bedroom size mix – proportion of family sized homes**
- **Internal space standards**
- **Children’s playspace**
- **Environmental targets**
- **Transport, utilities and social infrastructure**



# **SOUTHWARK'S AFFORDABLE HOUSING ENABLING ROLE**

**Jon Abbott**

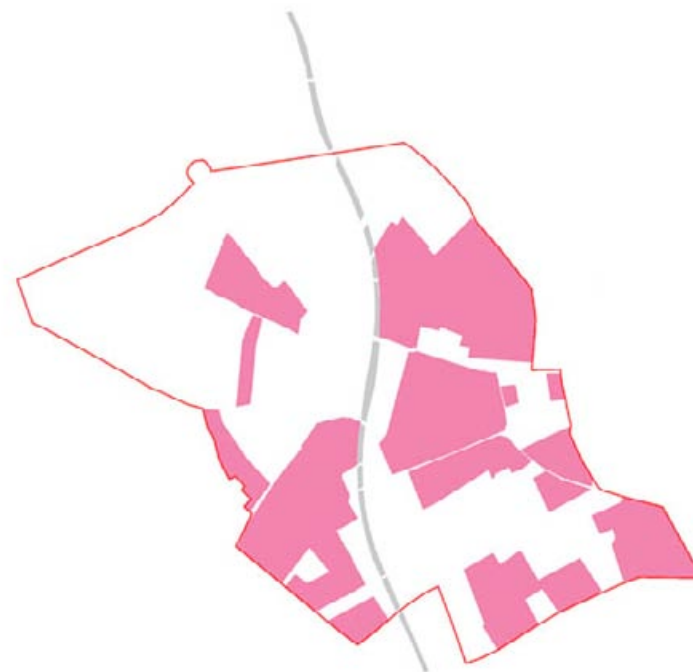
# Framework for Development 2003 –Housing strategy

Already a lot of affordable housing in the opportunity area

- **59% of the Walworth Community Council area is affordable housing**
- **51% of the Borough and Bankside Community Council area is affordable housing**
- **a fragmented and disconnected urban form**
- **single use and single tenure neighbourhoods –Heygate 1212 units -189 rtb's.**
- **limited housing choice**

**Council agreed ;**

- **Prepare SPG including proposal to demolish Heygate**
- **Build replacement affordable homes off site**



**2004 SPG identified up to 15 council owned sites that were to be redeveloped to provide new affordable housing for Heyvate Estate tenants.**



## Elephant & Castle –SE17 rents

Weekly Rents				
	1 bed	2 bed	3 bed	4 bed
Target Rent for Southwark	90.85	103.77	114.16	127.20
LHA for Southwark	184.62	230.77	288.46	369.23
SE17 @ 80% mkt	275.06	321.06	410.07	549.90

# Household affordability income limits

**The London Plan limits:**

**£0 - £18,100: Social rented housing**

**£18,100-£61,400: Intermediate housing**

***For homes with more than two bedrooms, which are particularly suitable for families, the upper end of this range for intermediate housing is £74,000***

# Intermediate housing

**Annual household income range mid-point for intermediate housing units in Southwark:**

**1 bed: £29,515**

**2 bed: £35,943**

**3 bed: £42,373**

**4 bed: £44,154**

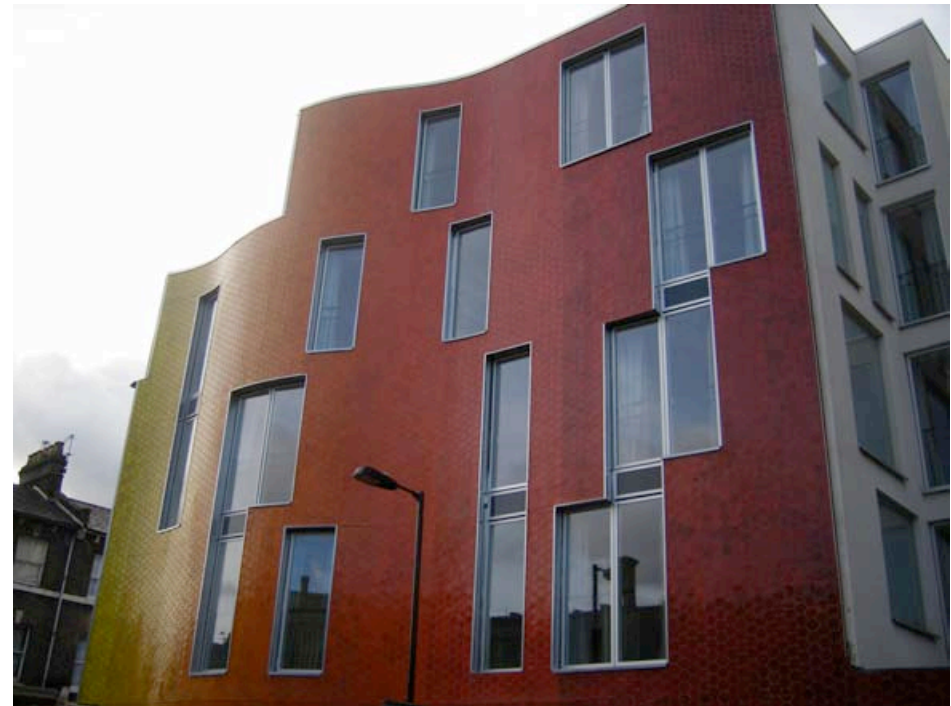
## Heygate Rehousing sites

- **Southwark selected two consortia of five RSL partners to deliver these schemes including Affinity Sutton, Family Mosaic and London & Quadrant.**
- **Heygate “Right to Returners” have priority.**



## Heygate Rehousing sites -Delivery

- Three completed schemes at Wansey St, St Georges Road, and New Kent Road.
- Three schemes at Townsend Street Library Street and Brandon Street will complete in the next three weeks
- Camberwell New Road, Royal Road, and Harper Road are expected to complete by the end of the year.
- Total of 464 affordable homes completed or under construction of which 428 are social rent



## Heygate Rehousing - Stead Street

- The Prospectus for the 2008-11 Nation Affordable Homes Programme - £8.4 billion Funding
- The Affordable Homes Programme Framework 2011-15 - £2.2 billion funding
- Social Rent -Grant reduced from c120k per unit to c30k per unit
- Stead St =HCA funding confirmed:
- 84 social rent all at target rents including 24 3-bed and 8 wheelchair units.
- All designed to London Plan amenity space and room size requirements
- Submitting for planning April.  
Completion 2014/15



## **Progress to date across the E&C Regeneration Area**

- **Heygate Replacement Programme delivers 512 social rent units**
- **Additional 280 affordable homes have been constructed [67 social rent and 213 intermediate ]**
- **140 further affordable homes have planning consent. [38 social rent and 102 shared ownership].**
- **Overall total of 932 affordable homes**
- **Of which 527 social rent and 405 shared ownership.**

### **Heygate masterplan – c2450 units**

- **RA minimum 25% =c610**
- **Planning Policy minimum [subject to viability] =c850**

**Total – c1500-1700 –significantly exceeds 1000 affordable units**

## Borough Context

### Delivery – Borough Level

<b>Social Rent</b>	<b>1137</b>
<b>Intermediate</b>	<b>1719</b>
<b>Total</b>	<b>2856 or 41% of all completions</b>

- **Delivery –forecast for 2011-15**

<b><i>Social Rent</i></b>	<b><i>1327</i></b>	<b><i>54%</i></b>
<b><i>Intermediate</i></b>	<b><i>662</i></b>	<b><i>27%</i></b>
<b><i>Affordable rent</i></b>	<b><i>475</i></b>	<b><i>19%</i></b>
<b><i>Total</i></b>	<b><i>2464</i></b>	

*Source: LB Southwark Affordable Housing Supply Database*



# **PLANNING POLICIES FOR ELEPHANT AND CASTLE**

**Alison Squires**

# Types of affordable housing

- **Social rent**
- **Intermediate**
- **Affordable rent**

# Planning policies

- **Core Strategy (2011)**
  - At least 35% affordable housing
  - At least 35% private housing
  
- **Saved Southwark Plan (2007)**
  - Of the affordable homes:
    - 50% should be social rented
    - 50% should be intermediate

# Our guidance

- **Affordable housing supplementary planning document:**
  - We have two SPDs on affordable housing (one adopted 2008, one draft 2011)
  - Sets out that where the policies cannot be met, the developer needs to submit a financial appraisal to justify a departure from planning policy

# Reviewing viability

- **We can review viability at each stage of the detailed planning application**
- **We have done this on other schemes across the borough**

# Dwelling mix

- **Core Strategy policy 7 for developments of 10 or more units:**
  - Minimum of 60% two or more bedrooms
  - Maximum of 5% as studio flats (and only private)
- **Minimum of 10% three or more bedrooms with directly accessible amenity space**

# Dwelling mix

- **Saved Southwark Plan (2007)**
  - At least 10% wheelchair housing
  - Lifetime Home Standards
- **Residential design standards SPD (2011)**
- **New minimum dwelling sizes**

# **The masterplan approach for the Heygate Estate**

**Rob Heaseman**

**Lend Lease**

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## Current Status

- Lend Lease have a legal commitment as Southwark's development partner to deliver a minimum of 25% affordable housing
- An outline planning application will be submitted this Spring for a maximum of c2462 units
- The application will be supported by a viability assessment detailing all aspects of the masterplan including the affordable housing component
- Lend Lease are committed to supporting the regeneration objectives including the delivery of affordable housing
- The masterplan brief was based on a policy compliant mix of units
- The outline application will not be seeking approval for design, form or mix which will be sought in subsequent reserved matters applications

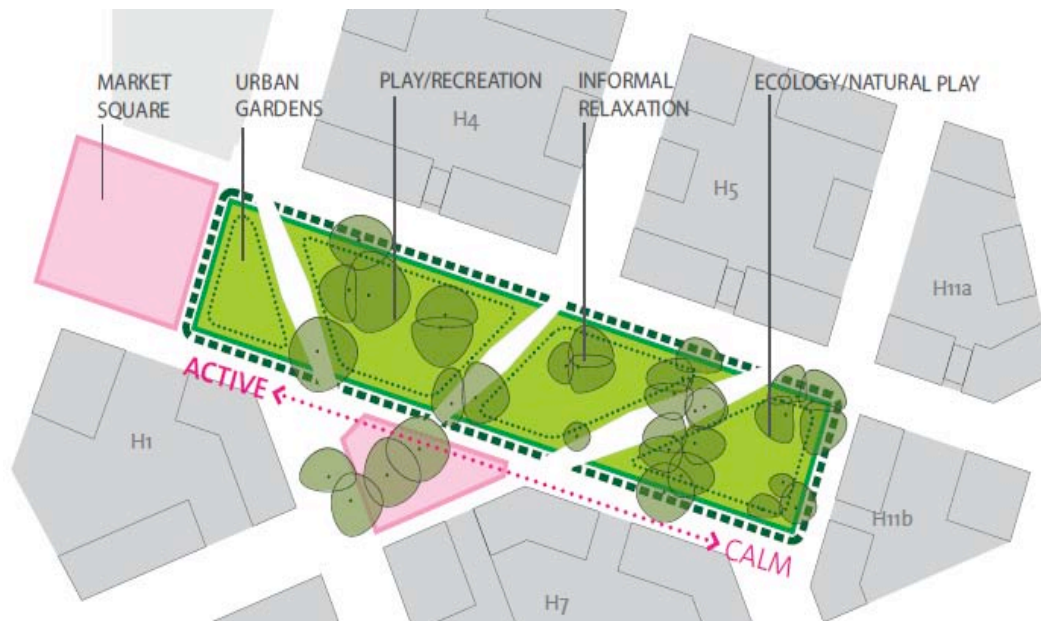


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- The Southwark Core Strategy
- The Southwark Residential Design Standards Supplementary Planning Document
- The Mayor's London Housing Design Guide Standards

The development will meet or exceed the requirements of the following specific standards:

- Code for Sustainable Homes Level 4
- Lifetime Homes
- Secured by Design
- Building for Life
- Housing Quality Indicators for affordable homes
- NHBC compliance
- London Housing Design Guideline space standards



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## Indicative Masterplan Residential Distribution

The proposed mix for the site is in line with planning policy for the area and is anticipated to be:

Type	Proposed
3 bedroom units	10%
2 bedroom units	55%
1 bedroom units	30%
Studio units	5%



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## Indicative Phasing

