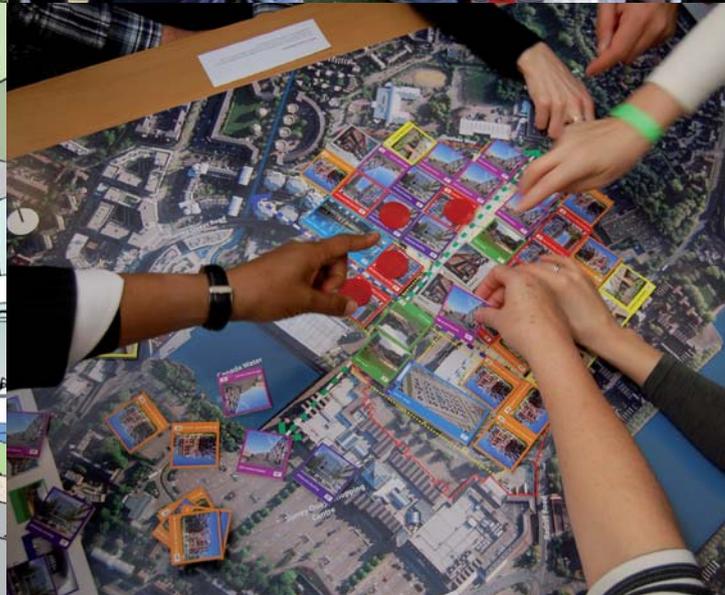


## Revised Canada Water Area Action Plan

Housing background paper

April 2014



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## **1. INTRODUCTION**

- 1.1 The Canada Water Area Action Plan includes five policies on housing (which include a policy on student housing). The area action plan develops specific area policies which will be used alongside the strategic, policies in our adopted Core Strategy (2011) as well as some of our saved Southwark Plan (2007) policies. This background paper provides further information on our approach to housing for Canada Water.
- 1.2 This paper summarises the key plans, policies and evidence that have been prepared since the AAP was adopted. It should be read alongside the adopted AAP housing background papers (March 2010 and July 2011) which set out relevant plans and policies, key evidence, consultation responses and how they were used to inform our strategic approach to housing in Canada Water. We also prepared three housing background papers to accompany the Core Strategy and these should be referred to for more general, overarching information.

## **2. POLICY BACKGROUND**

- 2.1 This section sets out the key national, regional and local plans and policies. It only covers the documents which have been adopted since the AAP was adopted and the previous housing background paper was prepared.

### **NATIONAL**

#### **National Planning Policy Framework (March 2012)**

- 2.2 Since the adopted Canada Water AAP was prepared, the government published final version of the National Planning Policy Framework (NPPF) (the draft NPPF was published prior to the examination of the adopted AAP and through the EIP process the council consulted on the implications of the draft document for the AAP). The NPPF consolidates the raft of guidance that was previously in PPSs and PPGs into a single document. It sets out the Government's priorities for the planning system in England and all major forms of development proposals handled by local authorities. It contains policies on the preparation of local and neighbourhood plans, development management decisions as well as a range of topic based policies such as housing and heritage.
- 2.3 In terms of housing, the NPPF aims to widen the choice of high quality homes (para 9, bullet 4) by introducing the presumption in favour of sustainable development. Section 6 of the NPPF deals specifically with how this should be achieved. It retains the evidence based approach to justifying Local Plan policies. In terms of supply, it requires LPAs to identify and update annually a supply of specific deliverable sites which

can provide 5 years worth of housing against requirements with an additional buffer of 5%. This rises to 20% where there has been historic, persistent under delivery of housing.

- 2.4 The NPPF also states (paragraph 47) that LPAs should identify a supply of specific, developable sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15.
- 2.5 The NPPF requires local planning authorities to use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies in the Framework (paragraph 47). In regards to the evidence base, the NPPF follows PPS3 by stating that local planning authorities should prepare Strategic Housing Market Assessments (SHMA) to gain clear understanding of the scale of housing and the range of tenures which are needed over the plan period.
- 2.6 To deliver a wide choice of high quality homes and create sustainable, inclusive, mixed communities, the Framework requires local planning authorities to plan for a mix of housing based on current and future demographic trends and the needs of different people in the community. Where they have identified a need for affordable housing - as Southwark has to a significant extent - policies should be set for meeting this on-site, unless off-site provision or a financial contribution of equivalent value can be robustly justified (paragraph 50). Such policies should be sufficiently flexible to take account of changing market conditions over time (paragraph 50).
- 2.7 To ensure the delivery of a wide choice of homes, the NPPF requires LPAs to plan for a mix of housing which meets the needs of different groups in the community, based on current and future demographic trends. It also refers to providing housing that reflects local demand.
- 2.8 The NPPF sets a new definition for affordable housing in the glossary which is:

“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. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.
- 2.9 Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to

the above, as agreed with the local authority or with the Homes and Communities Agency.

- 2.10 Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).
- 2.11 Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.
- 2.12 Homes that do not meet the above definition of affordable housing, such as “low cost market” housing, may not be considered as affordable housing for planning purposes.”

## **REGIONAL**

### **London Plan July 2011 consolidated with Revised Early Minor Alterations October 2013**

- 2.13 The London Plan was published in July 2011, prior to the hearings on the adopted AAP which commenced in August 2011. The inspector therefore considered the adopted AAP against the July 2011 version of the London Plan.
- 2.14 London Plan policy 3.3 sets a target of 20,050 new homes in Southwark by 2021, which equates to 2,005 homes per year. Annex 1 of the London Plan identifies a target of 2,500 new homes for Canada Water.
- 2.15 Policy 3.4 says that LDFs should optimise housing potential in line with the density matrix table (table 3.2) taking into account local context and character, the design principles in chapter 7 and public transport capacity.
- 2.16 Policy 3.5 states that LDFs should incorporate minimum space standards that generally conform with table 3.3 and that boroughs should seek to ensure that new developments reflect the standards. Paragraph 3.36 also states that “when designing homes for more than six persons/bedspaces, developers should allow approximately 10 sqm per extra bedspace/person”.
- 2.17 Policy 3.8 requires developments to offer a range of housing choices in terms of the mix of housing sizes and types.
- 2.18 Policy 3.10 sets out the definition of affordable housing which includes social rent and intermediate housing.

- 2.19 Policy 3.11 requires boroughs to set an overall amount of affordable housing provision needed over the plan period in their areas. It sets out a list of factors to take into account when setting the target including current and future housing requirements, the need to promote mixed and balanced communities and the viability of future development and resources.
- 2.20 Policy 3.12 requires the maximum reasonable amount of affordable housing to be sought when negotiating on private residential and mixed use schemes, whilst having regard to a number of factors.
- 2.21 Policy 3.13 states that affordable housing should normally be required on sites which have the capacity to provide 10 or more homes. A lower threshold can be set by boroughs in their LDFs if it can be justified.
- 2.22 Following the adoption of the National Planning Policy Framework (NPPF), the Mayor revised the London Plan. These alterations included updates and amendments to take account of the NPPF as well as some more substantive changes to the housing policies. These alterations were published on 11 October 2013. The key changes are:
- Policy 3.10: Definition of affordable housing. It alters the definition in the policy to accord with the NPPF, which includes affordable rent as a type of affordable housing, alongside social rent and intermediate.
  - Adopted London Plan policy 3.11 requires boroughs to set separate targets for social and intermediate housing. The alteration includes affordable rent within the social rent target. In addition, the supporting text to Policy 3.11 has been amended to include a new paragraph which prevents boroughs from setting rent targets for affordable rented housing their in Local Development Frameworks.
  - Policy 3.12 has been amended to insert a new section 'C' on the sequential test - providing affordable housing on-site, then off-site and then cash in lieu contributions. It sets out that cash in lieu contribution should be ring fenced to secure additional affordable housing. The alteration provided new wording at the end of paragraph 3.74 to reiterate that cash in lieu payments must not be used for any other purpose than maximising the delivery of additional affordable housing because of 'the strategic importance of maximising affordable housing in London'.

#### **Draft Further Alterations to the London Plan (January 2014)**

- 2.23 The Mayor published the 'draft further alterations to the London Plan' (FALP) in January 2014. They propose updates to the adopted London Plan to reflect the Mayor's priorities, as set out in his "2020 Vision: The Greatest City on Earth – Ambitions for London". The Mayor has set out that the FALP seek to address the need to plan for the housing and economic capacity needed for London's sustainable development

against the background of the growth trends revealed by the 2011 Census.

- 2.24 They key changes are:
- For Canada Water: The minimum number of new homes has been raised from 2,500 to 3,300. The number of jobs remains at 2,000. The designation recognises the potential for the town centre to move up the retail hierarchy to become a major centre, as well as provide capacity for new homes and jobs. It also states that there is potential to develop a new science cluster linked to King's College.
  - Housing: there are new, higher housing targets: 2,736 homes per year for Southwark. This is based on updated evidence in the form of a new London wide Strategic Housing Market Assessment (SHMA) and Strategic Housing Land Availability Assessment (SHLAA).
  - Economy: The Mayor raises concern about the loss of office floorspace to residential in the CAZ and allows boroughs to raise the floorspace threshold from which a mix of uses should be incorporated, such as housing. In order to manage future demand for retail floorspace the Mayor encourages boroughs to identify and prepare policies on primary and secondary frontages. The alterations also refer to clusters of uses in town centres and that boroughs should have regard to their positive and negative consequences.

#### **Mayor's Housing Supplementary Planning Guidance (published November 2012)**

- 2.25 The Mayor formally published the Housing Supplementary Planning Guidance (SPG) in November 2012 following public consultation in December 2011. This document sets out guidance to supplement the housing policies in the 2011 London Plan. It includes chapters on the quality and design of homes, affordable housing, investment and the supply of new housing. It also takes affordable rent into account. It is also informed by the Government's National Planning Policy Framework and by its Housing Strategy for England.

#### **Draft Revised London Housing Strategy (November 2013)**

- 2.26 The Mayor published a draft revised London Housing Strategy for consultation between November 2013 and February 2014. The overriding aim of this strategy is to increase the supply of well-designed housing of all tenures to levels not seen since the 1930s. Expanding on the Mayor's Vision, it sets out a challenging ambition to build at least 42,000 new homes per annum for the next ten years, at least 15,000 of which should be affordable, and 5,000 for long-term market rent.
- 2.27 The draft Housing Strategy sets out how, in the 2015-18 investment period the GLA will seek to deliver 15,000 affordable homes per annum. This will comprise forty per cent for low cost home ownership and sixty per cent for Affordable Rent. Of the Affordable Rent units, half

of these will be at a “capped” rent and half at a “discounted rent” of which 36 per cent will be family-sized.

## **LOCAL**

- 2.28 The detailed policy context for the housing policies across Southwark is set out in the Core Strategy housing background papers.
- 2.29 The AAP will be used alongside the Core Strategy and the saved Southwark Plan policies to make decisions related to housing. Our timetable for preparing and updating our policies is set out in our Local Development Scheme (LDS). The current LDS sets out that we will prepare a new Local Plan in accordance with the NPPF, which will set out the strategy for development in Southwark with policies, master plans, maps and site allocations. This will replace the Core Strategy and saved Southwark Plan policies.

## **Core Strategy (adopted April 2011)**

- 2.30 Our adopted Core Strategy sets out our overall strategy for housing. Strategic policy 5 and strategic targets policy 1 set out an overall target of 24,450 net new homes across Southwark between 2011 and 2026. Strategic target policy 2 and strategic policy 5 set area targets. The Core Strategy identifies a housing target for Canada Water of 2,500 net new homes of which at least 875 units will be affordable. Policy 5 also sets out the residential densities that new development will be expected to comply with.
- 2.31 Strategic policy 6 - Homes for people on different incomes sets out that development will provide as much affordable housing as financially viable. This includes a target of providing a minimum of 8,558 net affordable homes and requiring a minimum of 35% affordable housing. It also sets out a requirement for developments within certain wards to provide 35% private housing in order to achieve mixed and balanced communities. None of these wards fall within the AAP area.
- 2.32 Strategic policy 7 - Family homes sets out the requirements for new developments to include a proportion of family sized units (homes with 3, 4 or 5 bedrooms). The policy also states that all developments will be expected to meet the Council’s minimum overall floor sizes.
- 2.33 Strategic policy 8 - Student Homes acknowledges the need for more student accommodation in London and Southwark and guides new accommodation to town centres and places with good public transport accessibility provided that they do not harm local character. In order to balance the need for student accommodation with new conventional homes (specifically affordable and family homes) the policy requires student schemes to contribute to affordable housing in line with policy 6.

- 2.34 Strategic policy 9 – Homes for travellers and gypsies protects our existing traveller and gypsy sites and sets the criteria for identifying new sites.
- 2.35 On 19 March 2013 Southwark’s cabinet considered a report on the consistency of policies, including the Core Strategy with the newly published NPPF. With regard to policies 5-9, the report concluded that the policies are in line with the NPPF and could therefore be given significant weight in decision taking.

**Saved Southwark Plan (2007)**

- 2.36 The Southwark Plan was adopted in 2007 and we applied to save a number of the policies in the plan beyond July 2010. The following policies, or parts of the policies have been saved and are used alongside the Core Strategy and AAPs to make decisions.
- 2.37 Policy 4.2 – Quality of Residential Accommodation provides the standards that all new residential development should meet such as good quality living accommodation and high standards of amenity space, accessibility, privacy etc. Further detail is provided in the Residential Design Standards SPD 2011 which includes guidance on room sizes, dimensions for amenity space and the characteristics of good quality design.
- 2.38 Policy 4.3 – Mix of dwellings sets out the need to provide a mix of dwelling sizes and types. This policy was saved in part. The part of the policy that was saved relates to the restriction on converting existing single dwelling houses into flats.
- 2.39 Policy 4.4 – Affordable housing has been replaced in part by the Core Strategy. However the following requirements have been saved:
- that affordable housing must be an appropriate mix of dwelling type and size to meet the identified needs of the borough.
  - the proportion of affordable housing in schemes capable of providing 10-14 dwellings to be in line with table 4.4
  - a tenure mix of 70:30 social rented : intermediate housing ratios except as stated in table 4.5 for opportunity and local policy areas

Table 4.4:

No of units	10	11	12	13	14
Proportion of affordable units	1	2	3	4	5

Table 4.5:

Area Designation	Social Rented (%)	Intermediate (%)
Central Activities Zone	70	30
Urban Zone	70	30

Suburban Zone	70	30
Elephant and Castle Opportunity Area	50	50
Peckham and Nunhead Action Area	30	70
Old Kent Road Action Area	50	50
Camberwell Action Area	50	50

- 2.40 Policy 4.5 – Wheelchair Affordable Housing states that for every affordable housing unit which complies with the wheelchair design standards, one less habitable room will be required.
- 2.41 Policy 4.6 – Loss of Residential Accommodation resists the loss of all housing.
- 2.42 Policy 4.7 – Non-self Contained Housing sets out where new non-self contained housing will be acceptable.
- 2.43 A report was presented to the council’s Cabinet (March 2013) setting out which Southwark Plan policies are in line with the NPPF and which policies will no longer be used. All the Southwark Plan housing policies set out above are in line with the NPPF and will continue to be used until we adopt a new Local Plan.

#### **Canada Water Area Action Plan (March 2012)**

- 2.44 The Canada Water Area Action Plan was adopted in March 2012 and establishes a vision and framework to ensure sustainable growth and regeneration in the Canada Water area over the next 15 years. The AAP includes five housing policies (including a policy on student housing).
- 2.45 Policy 21: New homes – sets out how development in the core area will provide a minimum of 2,500 net new homes between 2011-2026. Outside the Core area, there is capacity for around 800 additional homes. Across the AAP area, most of these homes will be delivered on proposals sites.
- 2.46 Policy 22: Affordable homes – sets out how development in the AAP area will provide a minimum of 875 new affordable homes between 2011-2026. Most of these new homes will be on the proposals sites. In schemes of 10 or more homes, at least 35% of homes must be affordable. Of the affordable homes, 70% should be social rented and 30% should be intermediate.
- 2.47 Policy 23: Family homes requires developments of 10 or more units to provide
- a minimum of 60% of units with two or more bedrooms
  - a maximum of 5% of units as studio flats
  - a minimum of 20% of units with 3, 4 or 5 bedrooms with directly accessible amenity space in the core area

- a minimum of 30% of units with 3, 4 or 5 bedrooms with directly accessible amenity space in the suburban density zone.
- 2.48 Policy 24: Density of developments – sets out how development within the core area should be the urban density range of 200-700 habitable rooms per hectare. The only exceptions to this should be when development has an exemplary design standard. With the exception of one area, the remaining part of the AAP area is located within the suburban density zone. Development within this zone should be between 200 and 350 habitable rooms per hectare.

**Residential Design Standards supplementary planning document (October 2011)**

- 2.49 The council adopted an updated Residential Design Standards supplementary planning document (SPD) on 18 October 2011.
- 2.50 The update to the SPD inserts a new table of overall dwelling sizes based on occupancy levels to include an average requirement for different types of dwellings.
- 2.51 An additional appendix has been inserted into the SPD to provide further guidance to Core Strategy strategic policy 5 on calculating density. This appendix is also part of the Southwark Plan.
- 2.52 The updated SPD replaces the 2008 Residential Design Standards SPD.

**Affordable Housing Supplementary Planning document (September 2008)**

- 2.53 This SPD provides further guidance on Southwark Plan policies 4.3. Mix of dwellings, 4.4 Affordable Housing and 4.5 Wheelchair affordable housing.
- 2.54 The objectives of this SPD are:
- To provide guidance to ensure that new housing provides the maximum amount of affordable housing possible to meet the needs for this type of housing.
  - To provide guidance to make sure that affordable housing is provided throughout the borough in the most appropriate way.
  - To make sure that affordable housing contributes to creating a better mix of housing of different tenures and prices throughout the borough to support households with different needs and incomes.

**Draft Affordable Housing supplementary planning document (June 2011)**

- 2.55 The council consulted on a new Affordable Housing supplementary planning document (SPD) from June to September 2011. Once

adopted this will replace the existing 2008 Affordable Housing SPD. Due to the changes in national and regional policy since consultation on this draft SPD, it is likely that we will consult on an updated draft Affordable Housing SPD. We will review the timetable for this as part of our preparation of the New Southwark Plan.

- 2.56 The draft SPD provides guidance on delivering affordable housing, including:
- When affordable housing is required
  - The amount of affordable housing required
  - Where affordable housing should be located
  - The design of affordable housing
  - Financing affordable housing

**Clarification of our approach to affordable rent, Planning Committee report (December 2011)**

- 2.57 In order to clarify our approach to affordable rent following the change to PPS 3 (and the then draft NPPF) and the consultation on the minor alterations to the London Plan, we took a report to Planning Committee in December 2011. The report covers the key changes to national and regional policy as well as setting out the local research and evidence we have collated to determine the impact of the changes on Southwark. It explains our policy approach and the circumstances where we would consider affordable rent. We intend to review our approach to affordable housing through a new Local Plan called the New Southwark Plan and may update and consult on the affordable housing SPD to reflect our approach to affordable rent following the adoption of the London Plan revised early minor alterations.

### **3. RESEARCH AND EVIDENCE**

- 3.1 This section refers to the key pieces of research and evidence that have been prepared to inform the formulation of the housing policies in RCWAAP. Most of the key evidence documents were prepared to inform the strategic housing policies in the Core Strategy as well as the adopted AAP, therefore there is a more detailed description in the Core Strategy and adopted AAP housing background papers.

#### **Southwark Housing Requirements Study 2009, Housing Requirements Study sub report – Rotherhithe 2009**

- 3.2 The Core Strategy housing background paper 1 sets out an overview of our Housing Requirements Study 2009. The study looks at the need for affordable housing and different types of dwellings including family housing.
- 3.3 Alongside the study we also prepared a series of sub-reports for the 8 community council areas that were in place at the time. The sub-report for Rotherhithe addresses the wards covered by the AAP. Further detail is set out in Paragraphs 3.1.1 to 3.1.8 of the Canada Water AAP housing background paper (March 2010).

#### **Affordable Housing Viability Study 2010**

- 3.4 Paragraph 173 of the NPPF requires us to pay careful attention to viability and costs. The sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, the costs of providing affordable housing, should, when taking account of the normal cost of development and mitigation, provide competitive returns to enable the development to be deliverable.
- 3.5 BNP Paribas and Christopher Marsh & Co were commissioned to undertake an affordable housing viability study. It looked at 10 real sites and 10 notional sites that are typical of developments proposals in Southwark.
- 3.6 Overall the study concludes that a 35% minimum affordable housing policy is viable across the borough. Further detail is set out paragraphs 3.2 to 3.2.2 in the Canada Water AAP housing background paper (March 2010).

#### **Affordable Rent in Southwark Study 2011**

- 3.7 This study looks at the affordability of affordable rent across the nine different postcode areas of Southwark. It models a range of scenarios

from 40% to 80% market rents for one, two, three and four bedrooms dwellings.

- 3.8 The following table shows that at 80% of market rent, most of Southwark's postcode areas have an average weekly rent which exceeds the Local Housing Allowance (LHA) (shown by the orange cells). Most of the Canada Water AAP area is within the SE16 postcode and the table shows that all size properties are over the LHA range in that area and will be unaffordable to people relying on benefits to pay their rent.

<b>80% Market Rent</b>				
Area	1	2	3	4+
Southwark	266.1	338.91	390.61	515.17
SE1	306.89	397.78	518.30	518.30
SE5	200.73	255.19	326.95	454.82
SE11	271.02	314.99	382.88	458.32
SE15	193.19	239.19	312.60	467.15
SE16	255.19	298.98	398.70	485.73
SE17	202.57	285.00	358.78	512.04
SE21	171.66	248.75	317.38	517.38
SE22	193.00	248.20	358.78	551.97
SE24	201.47	248.02	367.98	404.22

Source: Affordable Rent Study (update April 2013)

- 3.9 The key findings of the study are:
- Market rents are very high in Southwark which require significant incomes to afford high proportions of market rent but average incomes are relatively low in the borough so a large proportion of the population cannot afford market housing.
  - Households who are currently on the housing register will be heavily dependant on benefits to pay their rent. This is a problem for households using housing benefits to pay rent, as the introduction of a benefits cap for non-working households means there will be very little benefits remaining within the cap to cover rents for larger households.
  - Households who can afford affordable rent with benefits while working are likely to really struggle if they lose work and a universal credit cap applies. This could lead to increased debt, rent arrears and in the longer term, homelessness. This represents a risk for the tenant as well as the landlord.
- 3.10 The research indicates that affordable rent is unlikely to be affordable to waiting list applicants, which is likely to create difficulties in matching supply with need.

### **Impact of the affordable rent tenure on the viability of developments in Southwark 2011**

- 3.11 This report looks at the viability of affordable rent in Southwark. It builds on the work in the initial Affordable Rent in Southwark Study (2011) and tests a hypothetical development that is replicated across the borough's nine postcodes using locally specific sales values and market rents.
- 3.12 The appraisals within the study demonstrate that adoption of Affordable Rent at the maximum 80% of market rents does improve viability in comparison to social rent and that in some circumstances it enables developments to provide a higher quantum of affordable housing than would have been the case with social rented units. Paragraph 4.1.5 of the study sets out the results for the SE16 postcode, which is the postcode which covers Canada Water. For all options a positive residual land value is generated, however this was significantly higher at 80% of market rent for all different number of bedrooms.
- 3.13 The study concludes by setting out that the council could maintain our existing policy of a split between social rent and intermediate, and requiring a financial appraisal to justify a departure from our adopted policy. It also concludes that a formal shift in policy position towards adopting Affordable Rent is likely to simply enhance land values. This would prevent schemes that could otherwise have delivered social rented housing from doing so.

### **Harmsworth Quays and adjacent sites viability analysis (February 2013) and the Harmsworth Quays and adjacent sites updated viability analysis (November 2013)**

- 3.14 Montagu Evans were commissioned to advise on the viability of options associated with a redevelopment of Harmsworth Quays and the adjacent sites and assess one of the options in the Hawkins\Brown masterplanning feasibility study. The option which was appraised (as set out below) was assessed as being broadly capable of delivery.
- Harmsworth Quays (50,470 sqm residential, 45,885 sqm student residential, 21,955 sqm university, 6,500 sqm leisure, 5,705 sqm office, 1,425 sqm retail, 1,370 sqm community and 296 car spaces).
  - Mulberry Business Park (9,130 sqm residential, 13,240 sqm student residential & 3,310 sqm university).
  - Site E (13,670 sqm residential, 2,760 sqm office and 63 car spaces).
  - Surrey Quays Leisure Park (49,485 sqm residential, 11,105 sqm leisure, 2,630sqm retail, 5,200 sqm hotel and 495 car spaces).

### **CIL Viability Study, November 2013**

- 3.15 The CIL study carried out by BNP Paribas also tested the viability of a number of sites at Canada Water with combinations of uses, in order to ensure that both uses and infrastructure required to deliver growth was capable of being delivered.

### **Past housing completions in Canada Water**

- 3.16 Every year we carry out a survey of housing completions. The most recent figures collected as part of this survey are set out below.
- 3.17 Table 1 below sets out how much housing, including how much affordable housing, has been delivered in the Canada Water action area over the past seven years (2005/06-2011/12).

Table 1: Canada Water housing completions 2006/07-2012/13

<b>Tenure</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>Total</b>
<b>Market</b>	46	201	13	46	133	8	148	<b>595</b>
<b>Total affordable</b>	-5	52	0	25	45	113	52	<b>282</b>
<b>Intermediate</b>	-1	18	0	0	15	0	47	<b>79</b>
<b>Social rented</b>	-4	34	0	25	30	113	5	<b>203</b>
<b>Total</b>	<b>41</b>	<b>253</b>	<b>13</b>	<b>71</b>	<b>178</b>	<b>121</b>	<b>200</b>	<b>877</b>

Source: London Development Database

### **Future housing development**

- 3.18 We have assessed the housing capacity of developments in the AAP area. Our approach to assessing capacity in the adopted AAP is explained in Appendix 3 of the Canada Water AAP Housing background paper March 2010.
- 3.19 We have updated the capacity assessment undertaken for the adopted AAP by:
- Identifying schemes in the action area with planning permissions.
  - Undertaking a masterplanning feasibility assessment for Harmsworth Quays and the adjacent sites.
  - Engaging with the GLA in 2013 in renewing the London Plan strategic housing land availability assessment (SHLAA).
- 3.20 The capacity assessment comprising a schedule of development sites, phasing and capacity is set out in Appendix 2. We have also used this assessment to create a housing trajectory for the action area (Appendix 1).

- 3.21 In summary the core area has the capacity to provide 4,241 units over the period 2011-2030. Of these 2,655 units have planning permission. There are an additional 573 units which could be built in the same period in the wider area outside the core area (of which 408 units have planning permission).
- 3.22 In January 2014, the Mayor published draft Further Alterations to the London Plan, with a revised minimum housing target for Canada Water of 3,300 units. The timescale for the FALP is 2015-2031. Over this period, the housing capacity of the core area is 3,569 units. It should be noted that this assessment does not include units on Harmsworth Quays. The number of units provided on that site will depend on the amount of non-residential use proposed. However, any units which are provided on Harmsworth Quays would increase provision beyond the 3,569 units identified.
- 3.23 It is important to note that the figures in the trajectory are an estimate of capacity only. Paragraph 5.3.3 of the Adopted AAP reiterates that the capacity identified in the AAP is an estimate only and should not be interpreted as targets to be achieved on each site. They are neither a target to be achieved nor a cap on development. The actual number of homes delivered on each site will depend of compliance with planning policies.
- 3.24 We will keep our capacity assessment up-to-date. As sites come forward for development and gain planning permission, the capacity assessment will be adjusted accordingly. We will use the capacity assessment to monitor progress towards the target number of homes and affordable homes. This enables us to identify new sites over the period of the AAP's operation. The trajectory will be updated in the course of monitoring the plan.

### **Student housing**

- 3.25 In appendix 3 we provide a list of student housing developments in Southwark. The list comprises both existing developments and developments with planning permission. In all there are 26 schemes providing 8,254 bed spaces. 69% of the schemes have less than 300 bedspaces. 20 of the schemes are located in the central activities zone.

## **4. DEVELOPING THE REVISIONS TO THE AAP**

- 4.1. This section sets out how the housing policies in the AAP have been revised from the adopted version of the AAP. Further detail on the development of the housing policies from the vision stage through to the publication/submission version is set out in the Canada Water AAP housing background paper (March 2010).

### **Context**

- 4.2. In preparing the adopted plan the council consulted widely on issues and options, preferred options and publication draft plan. This helped establish the vision which is set out in the adopted AAP. Following the EIP on the adopted AAP, the Inspector agreed that revisions to the AAP could be addressed within the scope of the adopted vision and objectives. The council did not consider it necessary to go back to an issues and options stage. The vision emphasises that Southwark is aiming to consolidate Canada Water as a mixed use town centre and it is in that context that revisions to the AAP were considered. In the council's view, the housing policies in the adopted AAP remain largely up-to-date. The principles established by the adopted policies have remained largely unaffected by the fact that Harmsworth Quays has become available for development. They would be applied to housing proposals on that site in the way they could be applied to other sites in the area. Therefore the changes made to the policies through the process of developing the revisions to the AAP are mainly factual.

### **AAP Policy 21: New homes**

- 4.3. This policy has not been revised from the Adopted Canada Water AAP. We have made factual updates in paragraph 4.6.4 on housing supply and are also proposing minor modifications in respect of the Draft Further Alterations to the London Plan. We have also updated the reference in paragraph 4.6.6 to refer to the preparation of the New Southwark Plan which we are proposing instead of a Development Management Development Plan Document (DPD).

### *London Plan, Core strategy and Saved Southwark Plan*

- 4.4. AAP policy 21 remains consistent with Strategic Targets policy 2 and policy 5 of the Core Strategy and policy 3.3 in the London Plan. The targets have not changed. We have updated the figures on housing supply and are proposing to add a trajectory. The Further Alterations to the London Plan (FALP) proposes to change the designation of Canada Water to that of an Opportunity Area. The FALP were published in January 2014. In the FALP the Mayor is proposing to raise the target for Canada Water from 2,500 homes to 3,300 homes. There is no legal requirement to be in conformity with the FALP. The Mayor

has confirmed that the policy is in general conformity with the London Plan. Notwithstanding this, we are proposing a minor modification to the AAP which notes the fact that the FALP are proposing to designate Canada Water as an Opportunity Area and have raised that target for new homes. We have set out how we have identified sites in the core area that can provide the number of homes required by the FALP.

#### *NPPF*

- 4.5. AAP policy 21 is in conformity with the NPPF. The policy is consistent with the approach set out in our adopted core strategy, particularly policy 5, providing new homes. This policy sets out how we will meet our housing need and targets. It includes our housing trajectory which we update regularly to demonstrate that we have identified sites to deliver new homes.

#### *EqIA and SA*

- 4.6. The EQIA and SA have been reviewed and both these documents conclude that the impact of this policy will remain largely positive.

#### **AAP Policy 22: Affordable Homes**

- 4.7. AAP policy 22 has been updated to remove the reference to the 70:30 split between social rented and intermediate housing. It has also been amended to reflect the fact that the council has decided to refurbish the low rise blocks as well as John Kennedy House. The Council's Cabinet agreed in December 2011 to undertake a programme of enhanced refurbishment of the low rise blocks. Paragraph 4.6.11 has also been updated to reflect this change in circumstance.
- 4.8. Paragraph 4.6.8 has been updated to reflect the latest situation with regards to the number of affordable homes that are on sites with planning permission and have been completed or are under construction.
- 4.9. The affordable and private housing fact box has been updated to reflect the publication of the National Planning Policy Framework (NPPF) in March 2012.

#### *London Plan, Core strategy and Saved Southwark Plan*

- 4.10. AAP policy 22 remains consistent with policy 6 of the Core Strategy and policies 3.10 and 3.11 of the London Plan.

#### *NPPF*

- 4.11. The NPPF has introduced a new type of affordable housing known as affordable rented housing. Affordable rented housing is let by local authorities or private registered providers of social housing to

households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). We have deleted the reference to the split between social rented and intermediate housing. We will review this through the preparation of the New Southwark Plan. As stated above, the Mayor considers that this approach is in general conformity with the London Plan.

*EqIA and SA*

- 4.12. The EQIA and SA have been reviewed and both these documents conclude that the impact of this policy will remain largely positive.

*Consultation*

- 4.13. We received a number of responses setting out support for maintaining the requirement for 35% of homes to be affordable. Some respondents expressed disappointment that the 35% target has not been achieved in a number of the consented schemes.

**AAP Policy 23: Family Homes**

- 4.14. This policy has not been revised from the Adopted Canada Water AAP. We have made some minor changes to the wording in paragraph 4.6.14 to make this easier to read.

*London Plan, Core strategy and Saved Southwark Plan*

- 4.15. AAP policy 23 remains consistent with policy 7 of the Core Strategy and policy 3.8 of the London Plan.

*NPPF*

- 4.16. The approach set out in policy 23 is consistent with the NPPF guidance on mix (paragraph 50) which states Local Authorities should plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes).

*Consultation*

- 4.17. Some respondents raised concern that the housing requirements study, which was carried out in 2009, is out of date. It is considered that this assessment is sufficient to support the policies in the AAP. We will look at reviewing the study as part of the preparation of the New Southwark Plan.

*EqIA and SA*

- 4.18. The EQIA and SA have been reviewed and both these documents conclude that the impact of this policy will remain largely positive.

**AAP Policy 24:**

- 4.19. This policy has not been revised from the Adopted Canada Water AAP. The supporting text in paragraph 4.6.19 has been updated to reflect the latest situation with regard to the amount of homes that are either houses or flats.
- 4.20. Paragraph 4.6.25 and the fact box on density have been updated to refer to the preparation of the New Southwark Plan which we are proposing instead of a Development Management DPD.
- 4.21. Paragraph 4.6.25 has also been amended to make reference to the FALP.

*London Plan, Core strategy and Saved Southwark Plan*

- 4.22. AAP policy 24 remains consistent with policy 5 of the Core Strategy and policy 3.4 of the London Plan.
- 4.23. London Plan policy 3.4 identifies appropriate density ranges which are related to character setting (three settings are described: suburban, urban and central) and public transport accessibility. Paragraph 3.28 states that the broad density ranges provide a framework within which boroughs can refine local approaches to implementation of the density policy and where appropriate can provide a tool for increasing density in situations where public transport accessibility will improve in the future.
- 4.24. Consistent with this policy, Core Strategy policy 5 identifies broad character settings in the borough (suburban, urban and central activities zone) and appropriate density ranges for each. It also identifies core areas in which the upper threshold of the relevant range can be exceeded where development has an exemplary standard of design. The core areas are designated in the light of their character, public transport accessibility and capacity for growth (see paragraph 4.6.23 of the adopted AAP). The core area designation comprises a dynamic tool which allows for intensification in appropriate circumstances. The Core Strategy and adopted AAP identify Canada Water as a Core Area in the urban zone, in which the relevant range is 200-700 habitable rooms per hectare, although as mentioned, higher densities are allowed subject to criteria.
- 4.25. The planning inspector considered AAP policy 24 in the context of London Plan policy 3.4 and found it to be in general conformity and sound (policy 3.4 was published in its final form in July 2011, prior to

the hearings on the adopted AAP; it was not affected by the revised early minor alterations to the London Plan published in October 2013).

- 4.26. The council does not consider that AAP policy 24 would be undermined by the draft FALP which do not proposed to amend policy 3.4. Changes are proposed to the justificatory text in policy 2.13 (Opportunity areas and intensification areas) which draw attention to the scope for larger areas to determine their own character and refers to the Housing SPG which provides guidance on where the appropriate density ranges can be exceeded in exceptional circumstances. The council's view is that the designation of core areas provide the flexibility which is fully in accordance with the approach described in policy 2.13.
- 4.27. Recent developments at Canada Water demonstrate the flexibility of the policy in enabling densities to be optimised. The scheme on Site A (Maple Quays) achieved a density of 843 hr/ra, while more recently the proposal for the Decathlon site and Site E achieved a density of 1006 hr/ha.

*NPPF*

- 4.28. The approach set out in policy 24 is consistent with the NPPF guidance on density (paragraph 47) which states Local Authorities should set out their own approach to housing density to reflect local circumstances.

*EqIA and SA*

- 4.29. The EQIA and SA have been reviewed and both these documents conclude that the impact of this policy will remain largely positive.

**AAP Policy 29a: Higher education and student housing**

- 4.30. This is new policy inserted into the AAP to address demand for student housing and higher education facilities.

*London Plan, Core strategy and Saved Southwark Plan*

- 4.31. AAP policy 29a is consistent with London plan policy 3.8 (Housing choice) which states that in preparing LDFs boroughs should take account of local and strategic requirements for student housing, without compromising capacity for conventional homes or undermining policies to secure mixed and balanced communities (paragraph 3.53). Core strategy policy 8 seeks to allow student housing in town centres and places with good access to public transport services and providing that these do not harm local character. The majority of student housing developments in Southwark have less than 300 bedspaces and all the larger developments are either in the CAZ and/or close to campuses (see appendix 3), where they can benefit from a direct access to university facilities and a range of supporting infrastructure. The Council considers that 300 bedspaces is suitably high to have a

significant impact on the character and function of Canada Water and the AAP core given that it is predominantly residential apart from the town centre. Student accommodation alone does not support the improvements we want to make to the town centre or help to meet the vision for the wider area.

*NPPF*

- 4.32. The approach set out in policy 29a is consistent with the NPPF guidance on mix (paragraph 50) which states Local Authorities should plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community.

*EqIA and SA*

- 4.33. The SA found that policy 29a would have positive benefits for objectives associated with tackling poverty and encouraging wealth creation, and meeting housing needs.

## **5. IMPLEMENTATION**

- 5.1. Part 6 of the AAP sets out how the policies will be delivered, including how we are progressing committed developments, developing our own land, working with partners and ensuring that we have enough infrastructure to support housing growth. We are very proactive in looking at as many different ways as possible to bring forward housing that seeks to meet our housing needs.
- 5.2. Specifically related to housing, we work with registered providers and the GLA to deliver more housing and affordable housing. Through regular engagement meetings such as Southwark Housing Association Group (SOUHAG) as well as direct contact with our housing team, registered providers have delivered over 850 affordable homes between 2007 and 2012 and will continue to deliver more homes in the future.
- 5.3. Section 3 of the Core Strategy Housing Background Paper 2 sets out a detailed implementation plan for our Core Strategy housing policies. The housing policies in the AAP are very closely aligned to the Core Strategy housing policies therefore the way they will be implemented remains the same, with the addition of our new directly funded housing delivery, as set out below.

### **Directly funded housing delivery**

- 5.4. In May 2012 the Cabinet announced the intention to build 1,000 new council homes in Southwark by 2020. Whilst we have continuously brought forward our own land for development, this project differs in that the council will be directly delivering the development, rather than the usual process of disposing of the land to a developer or registered provider. The new homes delivered will be affordable council homes, managed by the council. The Affordable Housing Fund (AHF) which is being used to pay for the new homes has mostly resulted from funds generated from in lieu payments on planning applications where exceptional circumstances meant that affordable housing was not delivered on or off site. We have also started to accumulate eligible Right to Buy receipts for the Affordable Housing Fund.
- 5.5. The Cabinet identified a set of schemes in October 2012 for Phase 1 of the Direct Delivery programme. None of the sites identified within the report as part of phase 1 are within Canada Water. The Cabinet agreed a further set of schemes in October 2013 for Phase 2 of the Direct Delivery programme, this included one scheme at Canada Estate. The Council has also announced the intention to build a further 10,000 council homes over the next 30 years. We will continue to look for further sites and will bring forward other sites across the borough in future which could include some within the AAP area.

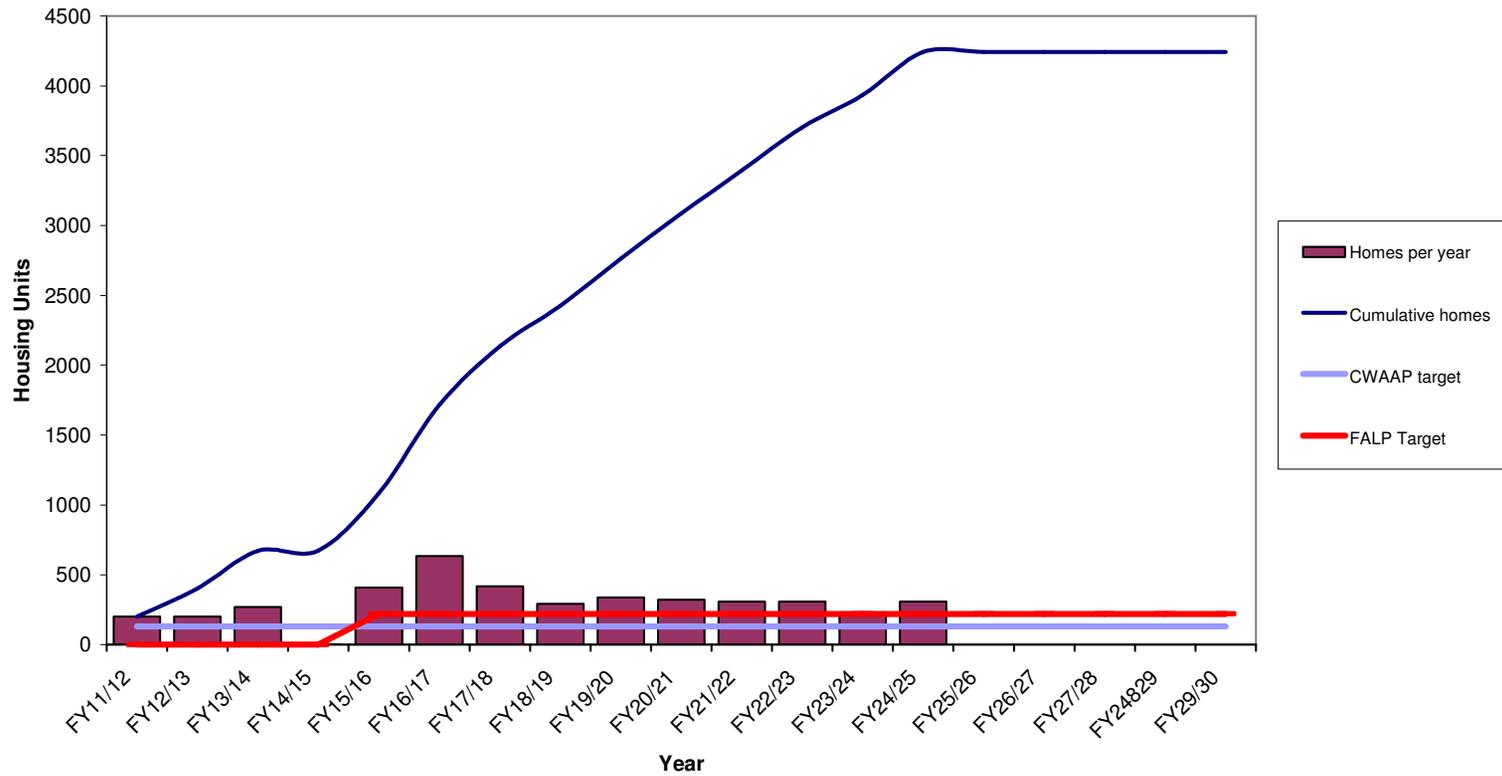
## 6. DOCUMENT REFERENCES

Canada Water housing background paper, March 2010  
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Core strategy housing background paper one, March 2010  
Core Strategy housing background paper two, March 2010  
Core Strategy housing background paper three, March 2010  
National Planning Policy Framework (March 2012)  
London Plan July 2011 consolidated with Revised Early Minor Alterations  
October 2013  
Draft Further Alterations to the London Plan (January 2014)  
Mayor's Housing Supplementary Planning Guidance (published November  
2012)  
Draft Revised London Housing Strategy (November 2013)  
Core Strategy (adopted April 2011)  
Saved Southwark Plan (2007)  
Canada Water Area Action Plan (March 2012)  
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Affordable Housing Supplementary Planning document (September 2008)  
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(December 2011)  
Southwark Housing Requirements Study 2009, Housing Requirements Study  
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Affordable Housing Viability Study 2010  
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Impact of the affordable rent tenure on the viability of developments in  
Southwark 2011  
Harmsworth Quays and adjacent sites viability analysis (February 2013) and  
the Harmsworth Quays and adjacent sites updated viability analysis  
(November 2013)  
CIL Viability Study, November 2013

## 7. APPENDICES

## Appendix 1 – Housing trajectory

Housing trajectory: Canada Water AAP Core Area



## Appendix 2: Housing capacity

Site name	Dwellings	Student bedrooms	Total units	Phasing	Affordable	Private	Status
Core Area - Site A	668		668	2009-2015	170	498	Completed
Core Area - Site C (Decathlon)	1030		1030	2015-2025	231	799	Site has permission
Core Area - Site E	0	0	0	2015-2025	0	0	See Site C
Core Area -Surrey Quays Leisure Park	509	123	632	2015-2025	127	382	Site has permission
Core Area - Shopping Centre & Overspill carpark	600		600	2015-2025	210	390	No permission
Core Area - Mulberry Business Park	33	770	803	2015-2020	33	0	Site has permission
Core area - 23 Rotherhithe Old Rd	14		14	2015-2020	14	0	Site has permission
Core area - 41 -55 Rotherhithe Old Road	16		16	2015-2020	6	10	Site has permission
26 Rotherhithe New Road	1		1	2009-2015	0	1	Completed
Core area - 247-251 Lower Road	15		15	2015-2020	6	9	No permission
Core area - 77 Albion Street	3		3	2015-2020	0	3	Site has permission
Core area - The Norwegian Church Seamen's Mission	1		1	2009-2015	0	1	Under construction
Core area -158 Lower Road	1		1	2009-2015	0	1	Completed
Core area -162-164 Lower Road	2		2	2015-2020	0	2	Site has permission
Core area - 160 Lower Road	1		1	2015-2020	0	1	Site has permission
Core area - 186 Lower Road	1		1	2015-2020	0	1	Site has permission
Core area - 30 Rotherhithe New Road	1		1	2009-2015	0	1	Completed
Core area - The Lodge, 122 Lower Road	8		8	2015-2020	0	8	Site has permission
Core area - Quebec Industrial Estate	366		366	2015-2020	89	277	Site has permission
Core area - 24-28 Quebec Way	50		50	2015-2020	18	33	No permission
Core area - Land at Roberts Close	28		28	2015-2020	10	18	No permission
Wider area - Surrey Docks Stadium	80		80	2015-2020	28	52	No permission
Wider area - Odessa Street Youth Club	25		25	2015-2020	9	16	No permission
Wider area - Docklands Settlement	28		28	2009-2015	9	19	Under construction
Wider area - Tavern Quay	112		112	2015-2020	40	72	Site has permission
Wider area - St George's Wharf	60		60	2015-2020	21	39	No permission
Wider area - Downtown	212		212	2015-2020	51	161	Under construction
Wider area -Prince of Wales, 19 Plough Way	1		1	2015-2020	0	1	Site has permission
Wider area-193 Plough Way	2		2	2015-2020	0	2	Site has permission
Wider area- Carinthia Court, 93 Plough Way	4		4	2009-2015	0	4	Under construction

Site name	Dwellings	Student bedrooms	Total units	Phasing	Affordable	Private	Status
Wider area - 210 Rotherhithe Street	1		1	2009-2015	0	1	Under Construction
Wider area- The Ship York, 375 Rotherhithe Street	6		6	2015-2020	0	6	Site has permission
Wider area - 49 Brunel Road	1		1	2009-2015	0	1	Under construction
Wider area - 39-47 Brunel Road	4		4	2015-2020	0	4	Site has permission
Wider area - 4 Omega Gate	3		3	2015-2020	0	3	Site has permission
Wider area - 42 Ann Moss Way	1		1	2009-2015	0	1	Completed
Wider area - 210 Rotherhithe Street	1		1	2009-2015	0	1	Under construction
Wider area - Pacific Wharf, 165 Rotherhithe Street	6		6	2015-2020	0	6	Site has permission
Wider area - 357 Rope Street	1		1	2015-2020	0	1	Site has permission
Wider area -119 Rotherhithe Street	6		6	2015-2020	0	6	Site has permission
Wider area - 48-50 Trident Street	1		1	2015-2020	0	1	Site has permission
Wider area - Lawrence Wharf	1		1	2015-2020	0	1	Site has permission
Wider area - Southwark Park Club, 386 Southwark Park Road	17		17	2009-2015	3	14	Under construction
<b>Total units</b>	<b>3921</b>	<b>893</b>	<b>4814</b>		<b>1074</b>	<b>2847</b>	
<b>Total units in the core area</b>	<b>3348</b>	<b>893</b>	<b>4241</b>		<b>914</b>	<b>2435</b>	
<b>Total units in the wider area</b>	<b>573</b>	<b>0</b>	<b>573</b>		<b>161</b>	<b>412</b>	
<b>Total units with planning permission</b>	<b>3063</b>	<b>893</b>	<b>3956</b>		<b>773</b>	<b>2290</b>	
<b>Total units in core area with planning permission</b>	<b>2655</b>	<b>893</b>	<b>3548</b>		<b>670</b>	<b>1985</b>	
<b>Total units in wider area with planning permission</b>	<b>408</b>	<b>0</b>	<b>408</b>		<b>103</b>	<b>305</b>	
<b>Total units in the core area measured against FALP target (2015-2031)</b>	<b>2676</b>	<b>893</b>	<b>3569</b>		<b>744</b>	<b>1933</b>	

### Appendix 3: Student housing developments in Southwark Council

Student housing in Southwark				
Address	Location	Adjacency to campus	Link to institution	Bedspaces
William Booth Training College	Camberwell	On campus	William Booth Training College	19
Silex Street	CAZ			20
83 New kent	CAZ	5 min walk to LSBU campus	LSBU	81
Brook Hall, Camberwell	Camberwell	20 min walk to Camberwell College of Art	Camberwell College of Art (UAL)	102
Surrey Quays Leisure Park	Canada Water		Not started	123
Ewer Street	CAZ		Private	150
Bernard Myers Hse	Camberwell	10 min walk to Camberwell College of Arts	Camberwell College of Art (UAL)	180
Steedman Street	CAZ	5 mins walk to LCC campus	London College of Communication (UAL)	221
Great Suffolk Street	CAZ		Private	230
120-138 Walworth Road	CAZ		Private	232
Julien Markham Hse	CAZ	15 min walk to Guys campus	King's	237
Oakmayne Plaza	CAZ		Not started	243
Paris Gardens	CAZ	Located above ballet school	Central ballet school	253
Manna Ash Hse	CAZ		Sanctuary student housing	253
Wolfson Hse	CAZ	5 min walk to Guys Campus	Kings	259
Butlers Wharf	Shad Thames		LSE	280
Guys Campus	CAZ	On the Guys campus	King's	287
David Bomberg Hse	CAZ	5 min walk to LSBU campus	LSBU	289
Dante Road	CAZ	5 min walk to LSBU campus	LSBU	414
Sidney Webb Hse	CAZ		LSE	450
The Quill	CAZ		Not started	525
McClaren Hse	CAZ	5 min walk to LSBU campus	LSBU	614
Bankside Hse	CAZ		LSE	617
Moonraker Alley	CAZ	10 min walk to Guys campus	King's	674
Champion Hill	Camberwell	On the Denmark Hill campus	King's	732
Great Dover Street	CAZ	10 min walk to Guys campus	King's	769
<b>Total bedspaces</b>				<b>8254</b>
<b>% of schemes with less than 300 bedspaces</b>				<b>69.2307692</b>
<b>0-99 bedspaces</b>				<b>3</b>
<b>100-199 bed spaces</b>				<b>4</b>
<b>200-299 bed spaces</b>				<b>11</b>
<b>300-399 bed spaces</b>				<b>0</b>

<b>400-499 bed spaces</b>				<b>2</b>
<b>500-599 bed spaces</b>				<b>1</b>
<b>600-699 bed spaces</b>				<b>3</b>
<b>700-800 bed spaces</b>				<b>2</b>