

REVITALISE



Peckham and Nunhead Area Action Plan

Development Plan Document

CD8 - Peckham and Nunhead AAP
Housing background paper

March 2013

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CD8



LONDON BOROUGH OF SOUTHWARK

Peckham and Nunhead Area Action Plan

Housing Background Paper

March 2013

CONTENTS

1. INTRODUCTION	3
2. POLICY BACKGROUND	3
3. RESEARCH AND EVIDENCE	13
4. DEVELOPMENT OF THE AAP	18
5. IMPLEMENTATION	45
6. DOCUMENT REFERENCES	47

1. INTRODUCTION

- 1.1 The Peckham and Nunhead Area Action Plan (CD1) includes three policies on housing. The area action plan develops specific area policies which will be used alongside the strategic, policies in our adopted Core Strategy (2011) (CDL1) as well as some of our saved Southwark Plan (2007) (CDL2) policies. This background paper provides further information on our approach to housing for Peckham and Nunhead.
- 1.2 This paper summarises the key plans and policies that have been prepared since the Core Strategy. Therefore, this background paper should be read alongside the three Core Strategy housing background papers which set out all the relevant plans and policies, key evidence, consultation responses and how they were used to inform our strategic approach to housing across Southwark (CDH12, CDH13, CDH14).
- 1.3 This paper sets out updated policy and guidance since we prepared these background papers and provides more information on the policies which specifically relate to Peckham and Nunhead. The Core Strategy housing background papers 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 Core Strategy was adopted and the Core Strategy housing background papers were prepared.

NATIONAL

National Planning Policy Framework (March 2012) (CDN1)

- 2.2 Since the Core Strategy was adopted, the government consulted on and adopted the National Planning Policy Framework (NPPF) (CDN1). The NPPF consolidates the raft of guidance that was previously in the range of 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 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.
- 2.5 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).
- 2.6 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.
- 2.7 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.

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.

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).

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.

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 (CDR1)

- 2.8 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. Whilst the Plan does not set a target for Peckham and Nunhead, our Core Strategy identifies it as a growth area, capable of delivering more new homes.
- 2.9 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.
- 2.10 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”.
- 2.11 Policy 3.8 requires developments to offer a range of housing choices in terms of the mix of housing sizes and types.
- 2.12 Policy 3.10 sets out the definition of affordable housing which includes social rent and intermediate housing.
- 2.13 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.

- 2.14 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.
- 2.15 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.

Revised early minor alterations to the London Plan (2012) (CDR2)

- 2.16 As a response to changes from central government in the way grant funding for affordable housing is to be managed and the change of the definition of affordable housing nationally, the Greater London Authority (GLA) produced Early Minor Alterations to the London Plan in November 2011. The alterations include introducing and recognising affordable rent within the following policies:
- Policy 3.10: includes affordable rent within definition of affordable housing. Gives it its own definition in accordance with the then PPS3 and the emerging NPPF.
 - Policy 3.11: requires boroughs to still set two targets. One for social rent/affordable rent. One for intermediate. The supporting text explains that affordable rent is for the same people as social rent.
- 2.17 It also proposed a change to Policy 3.12 by adding into the policy text to clarify that affordable housing will be required on site (previously it was only in the supporting text) and that all financial contributions should be used for new, additional affordable housing.
- 2.18 The Mayor then published an updated version of the early minor alterations for formal consultation in February 2012. This version included the changes referred to above as well as a new section on hazardous substances/installations and some new wording in the housing chapter. The updated wording in the housing chapter strengthened the approach to affordable rent by setting out that boroughs should not set rent levels for affordable rented housing through their LDF documents or policies.
- 2.19 Following the adoption of the National Planning Policy Framework (NPPF) (CDN1), the Mayor revised the alterations further and commenced a third stage of consultation in June 2012. These alterations incorporated the previous set of early minor alterations issued for consultation in February and include additional updates and amendments to take account of the NPPF and other legislation. More substantive changes to the housing policies are also proposed. Southwark, along with many other London boroughs, objected to the proposed Alterations as well as the draft SPG. 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. Our response highlights the need for evidence to underpin this policy. The early alteration refers to existing evidence as justification to the inclusion of affordable rent, but our understanding is that the existing evidence does not look at affordable rent or identify a need for it. We argue that the SHMA should be updated prior to the Examination in Public of these alterations to ensure that the market for affordable rent in London has been fully explored.
- 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. We refute this approach and argue in our response that the Mayor should take a more flexible approach which allows boroughs to tailor the new affordable rent product to suit their needs.
- 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. Our response set out that this approach is contrary to the NPPF, which allows cash in lieu payments to be used to improve or make more effective use of the existing housing stock. We suggest that the Mayor reconsiders this element of the alteration to bring it in line with the NPPF, which is much more flexible. The alteration also proposes 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'. Our response argue that the amount of non-decent homes stock in London is a key characteristic of London. Giving boroughs the flexibility to spend money generated by new development on a range of initiatives, such as bringing the existing stock of affordable housing up to decent homes standard, will allow for a more sustainable approach to retaining and providing truly affordable housing.

2.20 Southwark submitted a borough-level response to the REMAs, and also contributed to a joint response to the REMAs along with a number of other London boroughs.

2.21 An Examination in Public was held in November 2012 where the alterations were assessed for soundness by a Planning Inspector. The council's representatives presented the council's case at the EIP. The Inspectors report is due to be published imminently but was not available at the time of finalising this background paper for submission.

While the purpose of this paper is to explain Southwark's draft policies, not the proposed alterations to the London Plan, the issues raised in the responses to the REMAs are key to the matters being discussed in this paper. For this reason the response is available as a core document (CDH16) and is referred to in the discussion of PNAAP Policy 17 below. This paper does not repeat in detail the arguments set out in the responses to the REMAs.

Mayor's Housing Supplementary Planning Guidance (published November 2012) (CDR4)

- 2.22 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. Overall, we support the clarification provided by the guidance. However there were a number of areas where we expressed concern about the SPG in our response. These relate to the overly prescriptive nature of the guidance on affordable rent, the statement that student housing will not normally be subject to affordable housing and the fact that some of the guidance is contrary to guidance that we have. The guidance was adopted without significant changes in response to our comments.

Draft Revised London Housing Strategy (December 2011) (CDR16)

- 2.23 The Mayor published a draft revised London Housing Strategy for consultation between December 2011 and March 2012. It updates the first Housing Strategy 2010 to take into account the significant housing policy changes such as the allocation of government funding for affordable housing and the devolution of housing and regeneration powers to the Mayor.
- 2.24 The draft strategy states that ten percent of new affordable rent product homes should be let at target rents and that supported housing and the of existing housing in regeneration schemes should also be let at target rents. The Mayor stated an intention that "36 per cent of new affordable rent product homes across the programme allocated funding in 2011-15 should be family sized housing with three bedrooms or more". The strategy also contains a London-wide goal for half of all new affordable homes to be family-sized.

LOCAL

- 2.25 The detailed policy context for the housing policies across Southwark is set out in the Core Strategy housing background papers (CDH12, CDH13 and CDH14).
- 2.26 The AAP will be used alongside the Core Strategy (CDL1) and the saved Southwark Plan (CDL2) policies to make decisions related to housing. In some cases, such as Policy 17 on affordable and private homes, the AAP will be used instead of saved Southwark Plan policy 4.4 because it amends the tenure split for affordable housing within Peckham and Nunhead. This relationship will change in the future as we update and replace our policies. Our timetable for preparing and updating our policies is set out in our Local Development Scheme (LDS) (CDL5). 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) (CDL1)

- 2.27 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 did not identify a housing target for Peckham and Nunhead and instead set out that a target would be developed through the area action plan. Policy 5 also sets out the residential densities that new development will be expected to comply with.
- 2.28 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. This includes Livesy, Peckham, Nunhead and The Lane wards which all fall within the AAP area.
- 2.29 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.

- 2.30 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.
- 2.31 Strategic policy 9 – Homes for travellers and gypsies protects our existing traveller and gypsy sites and sets the criteria for identifying new sites.
- 2.32 The AAP is consistent with the Core Strategy.

Saved Southwark Plan (2007) (CDL2)

- 2.33 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.
- 2.34 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.
- 2.35 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.
- 2.36 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

Table 4.4:

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

- 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 4.5

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

- 2.37 Policy 4.5 – Wheelchair Affordable Housing states that for every affordable housing units which complies with the wheelchair design standards, one less habitable room will be required.
- 2.38 Policy 4.6 – Loss of Residential Accommodation resists the loss of all housing.
- 2.39 Policy 4.7 – Non-self Contained Housing sets out where new non-self contained housing will be acceptable.
- 2.40 The Council has prepared a report to set out how the 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.

Residential Design Standards supplementary planning document (October 2011) (CDL10)

- 2.41 The council adopted an updated Residential Design Standards supplementary planning document (SPD) on 18 October 2011.
- 2.42 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.
- 2.43 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.
- 2.44 The updated SPD replaces the 2008 Residential Design Standards SPD.

Draft Affordable Housing supplementary planning document (June 2011) (CDL11)

- 2.45 The council consulted on a new Affordable Housing supplementary planning document (SPD) (CDL20) from June to September 2011. Once adopted this will replace the existing 2008 Affordable Housing SPD (CDL15). Due to the changes in national and regional policy since

consultation on this draft SPD, it is likely that we will consult on an another updated Affordable Housing SPD. We will review the timetable for this as part of our preparation of the New London Plan and once we know the outcome from the London Plan REMAs EiP.

- 2.46 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) (CDH15)

- 2.47 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. Most of the key evidence documents were prepared to inform the strategic housing policies in the Core Strategy, therefore there is a more detailed description in the Core Strategy housing background papers.

Southwark Housing Requirements Study 2009 (CDH3), Housing Requirements Study sub report – Peckham 2009 (CDH4) and Housing Requirements Study sub report – Nunhead and Peckham Rye 2009 (CDH5)

- 3.2 The Core Strategy housing background paper 1 (CDH13) 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 wards covered by the AAP used to fall within 2 community council areas; Peckham and Nunhead and Peckham Rye. The boundaries for the community council areas were amended in 2012 and now the AAP area is covered by one community council: Peckham and Nunhead.
- 3.4 The Peckham sub-report found that the area has a low mean and median household income (51% of households earn less than £15,000pa) compared to the rest of the borough. The area is dominated by flats (74%) and terraced housing (24%). A large proportion of the housing is rented (88%) with a large proportion of social rented (65%). There is a relatively low level of owner occupation (11%). When compared with the rest of the borough, there are proportionally fewer existing households in Peckham who can afford to move (only 8% of residents who want or need to move can afford anything other than affordable housing).
- 3.5 The Nunhead and Peckham Rye sub-report found that the area has a larger proportion of people aged 35-54 compared with the rest of the borough. The area also has a relatively low average income, although it is higher than Peckham (49% of households earn less than £15,000pa). The area has a higher proportion of houses than Peckham (38%) and fewer flats (62%). There is also a higher percentage of owner occupation (35%). The affordability levels in this sub area are similar to that of the rest of the borough.

Affordable Housing Viability Study 2010 (CDH7)

- 3.6 Paragraph 9 of PPS3 required us to undertake an assessment of the viability of affordable housing. As a result 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. 1 of the real sites mentioned in the report (table 4.3.1) is within the PNAAP area.
- 3.7 Overall the study concludes that a 35% minimum affordable housing policy is viable across the borough.

Affordable Rent in Southwark Study 2011 (CDH10)

- 3.8 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.
- 3.9.1 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 Peckham and Nunhead AAP area is within the SE15 postcode and the table shows that 3 and 4+ bed properties are over the LHA range in that area and will be unaffordable to people relying on benefits to pay their rent.

80% Market Rent				
Area	1	2	3	4+
Southwark	257.53	336.00	400.00	460.80
SE1	312.00	412.00	556.00	480.00
SE5	183.99	240.00	312.00	416.00
SE11	256.00	340.00	380.00	600.00
SE15	175.20	230.40	312.78	441.57
SE16	240.00	300.00	440.00	380.00
SE17	224.00	288.00	320.00	496.00
SE21	174.79	239.19	312.78	827.95
SE22	175.20	244.19	300.00	459.97
SE24	204.00	248.00	284.89	777.35

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Area	1	2	3	4+
Southwark	257.53	336.00	400.00	460.80
SE1	312.00	412.00	556.00	480.00
SE5	183.99	240.00	312.00	416.00
SE11	256.00	340.00	380.00	600.00
SE15	175.20	230.40	312.78	441.57

SE16	240.00	300.00	440.00	380.00
SE17	224.00	288.00	320.00	496.00
SE21	174.79	239.19	312.78	827.95
SE22	175.20	244.19	300.00	459.97
SE24	204.00	248.00	284.89	777.35

3.10 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.

3.11 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 (CDH11)

3.12 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) (CDH10) and tests a hypothetical development that is replicated across the Borough's nine postcodes using locally specific sales values and market rents.

3.13 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 enable developments to provide a higher quantum of affordable housing than would have been the case with social rented units. Paragraph 4.1.4 of the study sets out the results for the SE15 postcode, which is the postcode which covers Peckham and Nunhead. For all options a negative residual land value is generated, even at 80% of market rent for all different number of bedrooms.

3.14 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.

Counsel advice on the GLA’s and Mayors approach to affordable housing in the London Plan (CDH17)

- 3.15 In addition to submitting an individual response, Southwark also submitted a joint response with the London Boroughs of Brent, Camden, Enfield, Hackney, Islington, Tower Hamlets, as well as the Royal Borough of Kensington & Chelsea and Westminster City Council. The joint response set out that the boroughs feel that by restricting boroughs from setting rent levels if so desired, the early alteration is contrary to the NPPF, as well as creating inconsistency with other parts of the London Plan and restricting borough’s legitimate powers. Jointly the boroughs feel that the NPPF encourages boroughs to use their own knowledge, evidence and expertise to decide how best to meet their housing need.
- 3.16 The boroughs commissioned legal advice to provide a view on whether the Mayor’s approach to affordable rent, as set out in the London Plan REMA’s (CDR16), is consistent with the NPPF. Further, it provided a view on the objections that the Mayor had raised in respect of borough’s plans and policies which sought to address affordable rent.
- 3.17 The advice concludes that “The NPPF definitions stress “local” incomes, house prices and local market rent. The role in setting the policies and producing the evidence is given to the LPAs. It seems to me that the most reasonable way to interpret this policy in the London context, is to examine rents and housing markets at a Borough level, and perhaps even lower, rather than trying to set a London wide rent level.” And “It is therefore strongly arguable that an approach by the Mayor that involves prioritising absolute numbers of affordable dwellings, over ensuring affordability; and seeking to impose a London wide rent level, fails to accord with the NPPF.”

Past housing completions in Peckham and Nunhead

- 3.18 We record past completions in our authorities monitoring report (AMR). As part of the preparation for our AMR 2011-2012, we have recently carried out our completions survey.
- 3.19 Table 1 below sets out how much housing, including how much affordable housing, we have delivered in the Peckham and Nunhead over the past seven years (2005/06-2011/12).

Table 1: Peckham and Nunhead housing completions 2005/06-2011/12

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	Total
Tenure								

Market	315	289	160	157	84	52	118	1,175
Total affordable	166	175	501	138	83	251	127	1,441
Intermediate	127	58	265	39	0	153	0	642
Social rented	39	117	236	99	83	98	127	799
Total	481	464	661	295	167	303	245	2,616

3.20 The largest number of units in single schemes were completed at the former leisure centre (96 units in 2007), Peckham Grove (Samuel Jones Industrial Estate) (74 units in 2010) and Chandlers Way (102 units in 2005).

Future housing development

3.21 We have developed a Development Capacity Assessment (DCA) (CDH8) which is a tool that we use to estimate potential future housing capacity that may come forward across a number of sites in the borough. The DCA looks in more detail at the potential housing sites (over 0.25 hectares) that were identified through Southwark's input into the Mayor's Strategic Housing Land Availability Assessment (2009) as well as smaller sites.

3.22 We used the DCA to help develop our housing trajectory and for Peckham and Nunhead it suggests that approximately 2,400 homes (net) could be provided on the sites we have identified (including those with permission) over the life of the plan. Appendix A shows the housing trajectory and the table of sites for Peckham and Nunhead as at March 2013.

3.23 It is important to note that the figures in the trajectory are an estimate of capacity and it does not mean that planning permission will be granted for all the development listed. It also does not mean that all these sites will come forward, as we can only estimate their capacity and timescales. There may also be other sites which could come forward before 2026 that we have not identified. In many instances the figures are based on estimates provided by developers and landowners on the capacity of their sites. The inclusion of sites in the DCA and/or trajectory does not imply that the council endorses the capacity or that we can ensure that the sites will come forward.

3.24 We will keep our Development Capacity Assessment (DCA) up to date. As sites come forward for development and gain planning permission, the figures in the DCA will be adjusted accordingly. We will use the DCA 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 every year in our Authorities Monitoring Report (AMR).

4. DEVELOPMENT OF THE AAP

- 4.1. This section sets out how the housing policies in the AAP (CD1) have been developed, from the vision stage through to the publication/submission version taking into account the key assessments and consultation stages. We set out the chronological development of each of the three AAP housing policies and the justification for the final strategy.

AAP Policy 16: New homes

The Options

Vision paper (March 2008)

- 4.2. The vision paper identified housing, affordable housing, the design of housing, the density of housing and the availability of housing as issues the area action plan would need look at. It also set out the key development sites

Issues and options (2009)

- 4.3. Housing was taken forward to the issues and options stage where we developed two options. Option one was for major change, faster regeneration and would increase the amount of housing in the area. Option two was for minor change, slower regeneration which would limit the amount of housing in the area and encourage renewal of existing housing. We also referred to the Core Strategy issues and options report for housing which set out that under both options a higher amount of housing would be built in Peckham with one option requiring more family housing and both options allowing student housing.
- 4.4. We set out options for making better use of some of our potential development sites, setting out high low and limited growth options for 27 sites. Many of these included housing. The higher growth options included more sites across the wider area as well as Peckham town centre.

Towards a preferred option (2011)

- 4.5. As a result of the consultation responses received at Issues and Options and the results of the interim sustainability appraisal, our preferred option was to focus on major change and faster regeneration. Our approach to providing new homes was to provide a range of different housing types to meet the needs of Peckham and Nunhead's diverse communities. This was in line with the Core Strategy, which was adopted before the towards a preferred option report. The new Core Strategy meant that many of the decisions relating to the strategic approach to new housing had already been made. Therefore, we were able to be much more certain about the objectives of the housing policies within the AAP at this stage than with other policies.

- 4.6. The Towards a preferred option paper set out the following objectives under policy 21:
- Set a target of a minimum of 2000 net new homes across the whole action area for the next 15-20 years
 - Set a target of at least 1500 of these homes to be within the action area core
 - Allocate and develop sites owned by the council
 - Require homes of different tenures and sizes
 - Require high quality of design for all types of housing
 - Balance the amount of new housing with other land uses
 - Ensure the necessary supporting infrastructure
- 4.7. Our objectives for density were set out under Policy 22 in the Towards a preferred option paper. In line with Core Strategy policy 5, it said - we will ensure development is the appropriate size by requiring development to be within the following density ranges:
- Urban zone: 200-700 habitable rooms per hectare
 - Suburban zone: 200-350 habitable rooms per hectare
 - Action area core: exceptions to the maximum density of 700 habitable rooms per hectare may be exceeded when developments are of an exemplary standard of design.

Preferred Option (2012)

- 4.8. At this stage we refined the policy and combined policies 21 and 22 into a single policy - Policy 16: New homes. We provided additional supporting information in response to consultation comments received, but did not change the main emphasis of the policy from the previous round of consultation.
- 4.9. The policy was:
- Development in the action area will provide a minimum of 2,000 net new homes between 2011 and 2026. We expect at least 1,500 of these homes to be within the Peckham core action area. The majority of these homes will be on proposals sites.
 - Residential density will be expected to comply with the following ranges, taking into account matters which include the quantity and impact of any non-residential use:
 - urban density zone: 200-700 habitable rooms per hectare
 - suburban density zone: 200-350 habitable rooms per hectare
 - action area core: the maximum density of 700 habitable rooms per hectare may be exceeded where developments are of an exemplary standard of design.

Core strategy and saved Southwark Plan

- 4.10. Core Strategy policy 5 sets an overall target for 24,450 new homes across the borough between 2011 and 2026. Peckham and Nunhead is identified as an action area with potential to provide new homes in the Core Strategy, but an overall target or capacity for the area is not. This has been taken forward in the AAP instead.

- 4.11. Core Strategy policy 6 also sets out the density ranges for residential development that the AAP needs to be in line with.

Sustainability appraisal (CD2)

- 4.12. The Sustainability Appraisal has been used to help inform the preparation of the draft submission policies and identified areas of concern to be addressed through the refinement of policies or through the use of mitigation measures to help avoid potential conflicts.
- 4.13. No negative impacts were identified for any of the options set out in the issues and option report. The higher growth options scored more positively as this would enable more opportunity for improvements in the area.
- 4.14. At the towards a preferred option stage, the sustainability appraisal identifies that the draft policies have an overall positive impact on the sustainability indicators. It identifies that all seven housing policies will have major positive impacts on sustainability indicator 15: To provide everyone with the opportunity of living in a decent home. However, it also identifies that policy 21 could have a potential negative impact on climate change and air quality. Building more homes could result in higher CO2 emissions and poorer air quality. It also identifies that policy 22 could have a potential negative impact on climate change and air quality.
- 4.15. At the preferred option stage policy 16 on new homes scored negatively against the following environmental indicators: climate change reduction, air quality, waste and flooding. The reason that the policy scored negatively is due to the fact that it will lead to a significant amount of new development. This may cause an increase in energy use, road traffic, waste and CO2 emissions.
- 4.16. As the policy has changed very little, draft submission policy 16 on new homes also showed a negative score against some of the indicators. This is because the quantum of new development is likely to have a negative impact in both construction and operation on climate change and air quality as a result of an increase in carbon emissions from energy consumption and traffic. The development will also increase the amount of waste produced. However, the policy is justified as it will help to regenerate the area and have positive impacts in relation to other sustainability objectives such as reducing poverty, improving education and skills and improving the health of the population. It will also have a big impact in helping everyone to have the opportunity to live in a decent home, which a significant issue in Peckham and Nunhead where many people are in housing need. Furthermore all new development will be required to reduce energy use, waste and car parking as well as maximise energy efficiency through design and promote more sustainable modes of travel.

Equalities

- 4.17. The equalities impact assessment and analysis (CD3) identified various considerations that needed to be taken into account in preparing the draft submission policies.
- 4.18. It identified that new housing may only cater for a broad market and fail to consider the needs of specific groups such as disabled people, families with children, young people, and older people. As a result we have set out in the policy that we require homes of different tenures and sizes. The other housing policies cover specific needs such as affordable housing, family housing and wheelchair housing.

Consultation

- 4.19. The consultation responses on the vision paper highlighted concern about the impact of population growth from new housing development. Through our Core Strategy, which sets out the overarching density policy, we looked at how to ensure the increased population will minimise impact through the implementation plan. This sets out how we will implement the density policy.
- 4.20. The issues and options responses identified a need for more family housing which this policy helps deliver through requiring homes of different tenures and sizes. There were also comments about all the density options.
- 4.21. The consultation on the Towards a Preferred Options identified that there were some concerns that the increased amount of new homes especially in the town centre may lead to overcrowding. There was also concern expressed about new homes putting pressure on schools and community facilities. The preferred options included policies on improving infrastructure and how the policies will be implemented.
- 4.22. The consultation on the Preferred Option did not generate any specific comments on the number of new homes proposed in Peckham and Nunhead. However, there were comments on the need for more family sized homes in the area and concern with the levels of amenity space, particularly for family homes which is covered under the analysis for policy 18 – mix and design of new homes.
- 4.23. There were also comments on the need to ensure that density reflects the character of the surrounding area, particularly where the highest densities are being considered. We have expanded the design policies for each of the character areas to ensure that new development respects and adds to the character of the surrounding area.
- 4.24. At the publication/submission stage there was one objection relating to the density ranges set out within this policy, particularly within the action area core. The approach is the same as in the Core Strategy and we are not proposing to change this part of the AAP as a result of this comment.

- 4.25. Refer to our consultation report (CD5) which sets out more info on the consultation responses and how we have taken these into account.

The strategy

- 4.26. Our strategy for Peckham and Nunhead is to seek a minimum of 2,000 net new homes between 2011 and 2026, including at least 1,500 within Peckham core action area. This target accords with the Core Strategy, which identifies the area as being suitable for growth and capable of delivering more homes. It is important that more homes are delivered in the area to provide for as much of the need as possible that has been identified in our Strategic Housing Market Assessment 2010 (CDH1) and the Housing Requirements Study 2009 (CDH3).
- 4.27. We have identified sites across the action area where we expect most of the new homes to be built and most of these are identified as proposals sites. Most of the new homes will be within Peckham core action area as this is where the majority of the large sites are and as the areas is most suitable for more development. The proposals sites, along with smaller sites with planning permission and some additional sites we consider may come forward are all within our Development Capacity Assessment and have been fed into the Housing Trajectory in Appendix 1.
- 4.28. The AAP follows the same approach as the Core Strategy policy 5 which requires developments to comply with the following density ranges:
- Urban zone: 200-700 habitable rooms per hectare
 - Suburban zone: 200-350 habitable rooms per hectare
- The only exception to this is within the Peckham core action area, where we may allow higher densities providing that developments are of an exemplary standard of design.
- 4.29. Our approach is to set density ranges for different areas so we can make sure that the right amount of development happens in the right places. Peckham and Nunhead has both an urban and a suburban density zone. The urban zone tends to be dominated by flats, maisonettes and some terraced housing, whereas the suburban zone has a more open character, with terraced and semi-detached housing and larger gardens. The density range is higher in the urban zone and within the core action area because this is where most of the development is going to take place as it has higher levels of public transport accessibility and a more urban character. More details on our approach and where we may allow an exception is set out in the Residential Design Standards SPD 2011 (CDL19).

Justification

New homes

- 4.30. There is a lot of evidence demonstrating the need for more and better homes in Southwark, and in Peckham and Nunhead. Our Strategic

Housing Market Assessment 2009 (CDH1) and our Housing Requirements Study 2009 (CDH3) both highlight this need. This is summarised in our Core Strategy housing background papers one and two (CDH19 and CDH20).

- 4.31. The previous London Plan (2008) policy 3A.1 set Southwark an overall housing target of 1630 net homes a year. This target is repeated in our Core Strategy as the London Plan (2011) was still in draft when we adopted the Core Strategy. However, the London Plan (2011) policy 3.3 increased our annual target to 2,005 net new homes a year between 2011 and 2021. This is our current housing target as the London Plan was adopted more recently than our Core Strategy.
- 4.32. Through our Core Strategy we identify Peckham and Nunhead as a growth area. Whilst the London Plan does not set targets specifically for Peckham and Nunhead, we need to deliver more homes in the area to help meet the Southwark wide target and the underlying housing need. We set out in our Core Strategy that we would develop a housing target through the area action plan.
- 4.33. Using our Development Capacity Assessment (CDH13) we have looked at the sites which we think could be developed for housing or mixed use including housing. 33 of these sites have been allocated as proposals sites in the draft submission AAP. Section 6 of the area action plan sets out a list of these sites as well as policies and guidance for each.
- 4.34. Our housing trajectory (appendix 1) illustrates that we expect to meet our minimum 2,000 new homes target by 2017/18. The trajectory includes all the AAP proposals sites, all sites with planning permission and any other sites which have been identified in our development capacity assessment. We have proposed a minor amendment through the table of proposed minor changes to the AAP (CD22) to factually correct the housing trajectory (as there was a printing error in the graph) and to provide the most up-to-date trajectory, taking into account the most recent completions survey. A map of the sites is in appendix 2.
- 4.35. Whilst the trajectory shows that we may meet our target early within the plan period, past experience has shown us that site designations do not guarantee that development will come forward within the estimated time frame. Similarly, sites with planning permission do not always get built. On some of the larger sites there is still uncertainty on the precise development that will take place, particularly on the large sites at the Aylesham Centre (proposal site PNAAP1) and Copeland Industrial Park (proposal site PNAAP4). As set out in the AAP, the figures proposed (400 units and 270 units respectively) are indicative, and there could be the potential to have more commercial uses on these key town centre sites, particularly if the market improves over the next few years. Therefore we feel that our target needs to be reasonable

and achievable, taking into account the current recession and that not all sites identified will come forward during the plan period, or for the indicative capacities identified. We will ensure we review this annually..

- 4.36. This approach will enable us to work towards meeting our housing need as identified in our studies and meeting the London Plan housing target.

Density

- 4.37. Our approach is to set density ranges for different areas so we can make sure that the right amount of development happens in the right places. Core Strategy policy 5 divides Southwark into central, urban and suburban zones and sets the appropriate density ranges for each zone.
- 4.38. Peckham and Nunhead action area covers parts of both the urban and suburban (middle) density zones which reflects the different characteristics of the area. The area action plan sets out where each density area is, including the core action area where higher density may be acceptable. This is in line with Core Strategy policy 5.
- 4.39. The evidence we used for the Core Strategy density policy justifies this approach for Peckham and Nunhead, and the Core Strategy Planning Inspector agreed the density zones for this area. Core strategy housing background paper three sets out detailed justification of this approach, including information on public transport accessibility levels.
- 4.40. The approach is in conformity with the London Plan (2011) policy 3.4 which requires boroughs to maximise and optimise the potential of sites. Policy 3.4 sets out that boroughs should optimise housing within the density ranges set out in table 3.2. The supporting text says that these broad ranges provide the framework within which boroughs can refine local approaches to implementation through their local development framework.

AAP Policy 17: Affordable and private homes

Vision paper (2008)

- 4.41. The vision paper identified housing as one of the issues the area action plan would need to look at. It also identified key development sites which could potentially include housing.

Issues and options (2009)

- 4.42. Housing was taken forward to the issues and options stage where we developed two options. Option one was for major change, faster regeneration and would increase the amount of housing in the area. Option two was for minor change, slower regeneration which would limit the amount of housing in the area and encourage renewal of existing housing. The report also referred to the options being considered as part of the Core Strategy for different levels of affordable housing and more private housing in Peckham.
- 4.43. We also set out options for making better use of some of our potential development sites, setting out high, low and limited growth options for 27 sites. Many of these included housing. It did not set out how much housing on each site would be affordable housing.

Towards a preferred option (2011)

- 4.44. We took elements of both the overall options in the preparation of the towards a preferred option report, with the main focus on major change, faster regeneration.
- 4.45. The Core Strategy was adopted in April 2011 and this set out the strategic approach to affordable housing in policy 6, including the 35% affordable housing requirement. The preferred option, set out under policy 23, therefore followed the Core Strategy approach and aims to provide affordable homes (both social rented and intermediate) by:
- Requiring a minimum of 35% affordable homes for developments of 10 or more units
 - Target of at least 700 affordable homes
 - Requiring 50% of affordable housing to be intermediate and 50% to be social rent
 - Allocating and developing sites owned by the council
- 4.46. The preferred option to increase housing choice and tenure was set out under policy 24. Again, this follows Policy 6 of the Core Strategy where the approach to private housing is set out. The preferred option required:
- A minimum of 35% of development of 10 or more unit to be private homes in Livesey, Peckham, Nunhead and the Lane Wards.
 - at least 700 private homes across these wards.

Preferred option (2012)

- 4.47. At this stage we refined the policy and combined policies 23 and 24 into a single policy - Policy 17: Affordable and private homes.

4.48. We provided additional supporting information in response to consultation comments received, but did not change the main emphasis of the policy from the previous round of consultation. The policy was:

- Development in the action area will provide a minimum of 700 affordable homes and 700 private homes
- Development within Livesey, Peckham, Nunhead and The Lane wards must provide a minimum of 35% private homes as shown within figure 11
- Developments of 10 or more units must provide a minimum of 35% affordable housing across the action area
- The affordable housing must be an appropriate mix of dwelling type and size to meet the identified needs of the borough
- 50% of the homes should be intermediate and 50% should be social rented

Core strategy and saved Southwark Plan

4.49. Core strategy strategic policy 6 sets out a 15 year target of 8,558 net new affordable homes from 2011 to 2026. It also sets out targets for some of our growth areas. It does not set a target for Peckham and Nunhead and instead sets out that this will be developed through the area action plan.

4.50. Core strategy strategic policy 6 also requires a minimum of 35% private housing units in Livesey, Nunhead, Peckham and The Lane wards. The area action plan needs to be in line with this policy.

4.51. The saved Southwark Plan policy 4.4 sets out the required tenure split for Peckham and Nunhead of 50% social rented housing and 50% intermediate housing. We have modified this through policy 17 of the area action plan as our evidence base supports this change.

Sustainability appraisal (CD2)

4.52. No negative impacts were identified for any of the options set out in the issues and option report. The higher growth options scored more positively as this would enable more opportunity for improvements in the area.

4.53. The sustainability appraisal identified that the Towards a preferred option policies on design and mix of homes had an overall positive impact on the sustainability indicators. It identified that all seven housing policies will have major positive impacts on sustainability indicator 15: To provide everyone with the opportunity of living in a decent home.

4.54. The appraisal for the Preferred Option found that the housing mix and design policy had an overall positive impact on the sustainability indicators. Particularly those relating to tackling poverty, providing

decent homes, improving education and skills, crime and social inclusion and equality.

- 4.55. The SA of the publication/submission policy 17 on affordable and private homes also resulted in an overall positive impact on the indicators that are relevant. Uncertain impacts were identified around enhancing the quality of the landscape and townscape as this will depend on the final design of individual schemes. These uncertainties will be addressed through the AAP and other relevant development plan policies which ensure that new development is well designed and considers the impact on the existing townscape.

Equalities

- 4.56. The equalities analysis (CD3) demonstrates that because this policy will contribute to more homes having access to private gardens and courtyards. Increasing the amount of private amenity space available will benefit families and young children in particular.

Consultation responses

- 4.57. The consultation responses on the vision paper highlighted concern at needing to look at the impact of population growth from new housing development. The issues and options responses identified a need for more affordable family housing which this policy helps deliver.
- 4.58. The towards a preferred option responses raised concerns about the infrastructure needed to support increased housing including transport improvements and improved community, educational and health facilities.
- 4.59. The responses to the preferred option consultation did not focus on affordable housing or private housing. They centred around the need for family sized homes, suitable amenity space and the need for new homes to be sensitive to their surroundings. One response also requested that we acknowledge affordable rent.
- 4.60. At the publication submission stage there were 4 objections to this policy. 3 of the representors put in comments relating to the need for more affordable housing, applying the tenure split flexibly and taking viability into account. These issues are already covered sufficiently in the AAP, and we propose no changes to the AAP to address these comments.
- 4.61. The most significant comments was raised by the GLA, who issued us with a letter of non-conformity in relation to the approach taken to affordable housing in policy 17. As set out in our duty to co-operate background paper (CD12), we have worked closely with both the GLA and the HCA (now part of the GLA) in preparing both our Core Strategy and AAP policies. We also work closely together to look at ways of maximising affordable housing that meets housing need. However, at this stage of formal consultation, the GLA raised a new issue on the

AAP, which had not previously been raised through earlier stages of consultation, and the council and the GLA are unable to reach agreement on this issue.

- 4.62. The GLA's view is that policy 17 is not in general conformity with the London Plan and is inconsistent with the NPPF because it does not include affordable rent within the policy. Their view is that the omission of affordable rent will mean that the policy does not seek to maximise affordable housing provision; take account of the viability of future development taking into account future resources as far as possible, including the availability of public subsidy; take account of the fact that as a matter of national policy Affordable Rented is intended to address the housing need of those eligible for Social Rent. We are proposing no change to policy 17 to address the GLA's representation for the reasons set out below under the section on affordable rent and the GLA's representation, and within our officer response to their representation within our consultation report (CD5).

The strategy

- 4.63. The draft AAP policy aims to ensure that there is a mixture of housing types, including at least 35% affordable and 35% private homes (at least 35% private homes across four of the five wards).
- 4.64. This approach aims to ensure that we meet and hopefully exceed our minimum 700 affordable homes target for Peckham and Nunhead. We set the target at a minimum of 700 new homes as this equates to 35% of the overall target for Peckham and Nunhead of 2,000 homes. Our development capacity assessment, past experience as monitored through our AMR and our affordable housing viability study (CDH7), suggests this is a viable, deliverable target through implementing the minimum 35% affordable housing policy. This target is approximately 16% of the overall affordable homes target for Southwark and provides a significant contribution to the total borough target of 8,558 affordable homes by 2026.
- 4.65. The strategy also involves ensuring that new development within Livesy, Peckham, Nunhead and The Lane wards provides a minimum of 35% private housing. As shown in the housing requirements study, large parts of the AAP area are dominated by social rented housing – up to 65% in the wards of Peckham and Livesy. Our AMR has shown that a large majority of the developments in the AAP area have been for 100% social. This approach of requiring a minimum of 35% private housing takes into account the large amount of existing affordable housing in the area and the number of new affordable homes being built by setting a minimum target for private homes of 700. The aim is to ensure that a mixture of private and affordable housing is built in the area which will increase choice for residents, create a more balanced neighbourhood and reduce the existing concentration of affordable homes.

- 4.66. The draft AAP policy proposes a new tenure split for Peckham and Nunhead which replaces the split set out in table 4.5 of saved Southwark Plan policy 4.4. The new split will be 50:50 social rent: intermediate. This will work alongside the private housing policy, helping to address the balance of housing types and increase the range of housing types on offer.

Justification

Affordable housing need

- 4.67. There is a lot of evidence highlighting the need for more affordable housing and more private housing.
- 4.68. Our Core Strategy and our Housing Strategy together set out the overarching strategy for delivering more affordable homes across Southwark. The London Plan also priorities the need to deliver more affordable homes.
- 4.69. Our evidence base studies demonstrate that there is a need for more affordable housing across the whole of Southwark. Our strategic housing market assessment 2010 (CDH1 and CDH2) identifies that Southwark needs to provide between 34.8% and 41.5% of new housing as social rented and between 17.9% and 21.6% as intermediate housing. Our Housing Requirements Study (2009) (CDH3) also identifies a large need for more social rented housing, identifying the need for 6,458 new social rented homes over the next 5 years.
- 4.70. Our housing requirements study sub-reports (2009) (CDH4 and CDH5) for each of the previous community council areas (recently amended to amalgamate the community council areas in one) provide further evidence to support this policy. They highlight the need for more affordable housing in Peckham and Nunhead due to the low average income and high housing need. For example within the Peckham community council area, over 50% of households have gross incomes of less than £15,000 and of those households needing/wanting/expecting to move, 69% could only afford social rented housing and 23% can only afford intermediate housing. Similarly within the Nunhead and Peckham Rye community council area just under 49% of households have gross incomes of less than £15,000. Nunhead and Peckham Rye households tend to be more able to move, with 42% of those needing/wanting/expecting to move being only able to afford social rented housing and 13% only intermediate.
- 4.71. Further, the evidence base suggests that need for social rented housing is likely to increase beyond the level of need identified in the SHMA, due to reforms to the benefit regime. The council's own analysis demonstrates that, in Southwark, even social rented one bed units charged below or at "target rent" may not be affordable in some areas due to the introduction of the universal credit. More information is

set out in our Affordable Rent in Southwark Study (CDH10) which looks at the impact of the changes in benefits on affordability across all of Southwark.

Viability

- 4.72. Our Affordable Housing Viability Assessment (2010) (CDH7) shows that requiring 35% of new homes to be affordable is an achievable policy. Past experience, as demonstrated through our AMRs also show that this is an achievable policy, particularly in places like Peckham and Nunhead where land values are lower than many other parts of Southwark. Through policy 8 of the Core Strategy this policy also applies to student schemes which are required to provide a minimum of 35% of a development at conventional affordable housing. Core Strategy housing background paper two (CDH13) sets out more information on this.
- 4.73. Furthermore through our development capacity assessment (CDH8) we have identified that we think we can deliver a minimum of 2000 new homes over the area action plan time period. We think that it a viable and deliverable approach to set a target of 700 new affordable homes. This is 35% of 2000 new homes. Many of these homes will be within the core area where there are many large development sites, excellent transport links and opportunities to improve supporting infrastructure.

The tenure split

- 4.74. Our Core Strategy does not set a policy on the required split between social rented and intermediate housing within affordable housing. Instead we have saved Southwark Plan policy 4.4 which requires a split of 30% social rented and 70% intermediate within the Peckham and Nunhead action area. Area action plans can change and replace Southwark Plan policies. Our draft AAP policy for Peckham and Nunhead changes the saved Southwark Plan split to 50% social rented and 50% intermediate housing.
- 4.75. Our evidence base shows that there is a need for both social rented and intermediate housing, and our monitoring shows that historically despite having a policy of only 30% of the affordable housing as social rented, the majority of the action area has continued to see most new development as almost 100% social rented housing. We need to have a viable deliverable policy, and one which creates mixed communities and offers a housing choice.
- 4.76. In our view the draft AAP policy split is in general conformity with the London Plan. The adopted London Plan (2011) policy 3.11 sets out the strategic objective to provide more affordable housing. It also sets out the split for the provision of affordable housing as 60% social rented and 40% intermediate overall. Whilst the GLA have raised concern with the policy not including affordable rent, they have not raised concern on the policy's split of 50%:50% rather than 60%:40%. The London Plan supporting text (paragraph 3.66) sets out that the 60:40 split is a long

term strategic target rather than something that must be met on every development. We have therefore proposed a 50:50 (social rented :intermediate) tenure split in Peckham and Nunhead because it is aligned to specific local need and is deliverable in the area. As described above, this amends saved Southwark Plan policy 4.4 which set a 30% social rented and 70% intermediate target for Peckham and Nunhead. It will not affect our ability to meet the overall London Plan strategic tenure split target, as it is evened out by the requirement in other areas to provide 70% social rented and 30% intermediate housing.

- 4.77. We set out further guidance on delivering affordable housing in our adopted affordable housing supplementary planning document (2008) and our draft affordable housing supplementary planning document (2011).

Private housing

- 4.78. We currently have one of the highest amounts of affordable housing in the country, and we are the largest landlord in London. 44% of Southwark's housing stock is social rented, which is three times the national average. Approximately 1.5% of the housing stock is intermediate housing.
- 4.79. Peckham and Nunhead have some of the highest amounts of affordable housing in Southwark. Our housing requirements study sub-reports (2009) (CDH4 and CDH5) show that over 65% of Peckham community council area is social rented housing and over 40% in Nunhead and Peckham Rye. Our Annual Monitoring Reports also shows that over recent years, the majority of new housing developments, with the exception of the Peckham Rye ward are for 100% social rented housing schemes.
- 4.80. The historic legacy of lots of social rented housing in the area, as well as the number of recent completions which include social rented housing have increased the overall amount of social rented housing in Peckham and Nunhead. This has resulted in little choice for people needing or wanting other types of housing.
- 4.81. Both our strategic housing market assessment (2009) (CDH1) and our housing requirements study (2009) (CDH3) demonstrate that as well as there being a well documented need for more affordable housing there is also a need for more private housing. For example our strategic housing market assessment suggests that there is a need for between 36.9% and 47.3% of new housing to be private housing, and our housing requirements study identifies a need for 5,066 new private homes over the next five years.
- 4.82. London Plan (2011) policy 3.9 sets out that a more balanced mix of tenures should be sought, particularly in neighbourhoods where social renting predominates to offer a range and type of housing choice and

encourage mixed and balanced communities. Our Core Strategy strategic policy 6 therefore requires a minimum of 35% private housing in areas dominated by social rented housing to help offer housing choice and create mixed communities. The area action plan develops this overarching policy by setting a numerical target for private housing in the wards of Livesey, Peckham, Nunhead and the Lane where this policy applies.

Housing trajectory

- 4.83. We have produced a housing trajectory (figure 14 in the AAP) to show how much housing we expect to come forward each year. This includes the proposals sites, sites with planning permission and other sites identified within our Development Capacity Assessment (CDH8). We have also carried out detailed capacity work for the major proposals sites to determine how many homes can be accommodated.
- 4.84. As part of the capacity work we also looked at how much affordable housing could be delivered on each of our proposals sites to ensure that our target is achievable. The table in appendix 1 which lists all our housing trajectory sites shows that we estimate the area has capacity to deliver 951 affordable homes based on our 35% affordable policy and existing permissions. It is important to note that there is the potential to deliver more affordable housing than the 951 identified in the trajectory as the council is very proactive in facilitating and encouraging the provision of more affordable housing that seeks to meet our housing needs. This includes bringing forward our own land for development such as at the former Wooddene Estate, working with registered providers and the GLA to deliver affordable housing, and building our own council housing through our directly funded housing project. More information is set out in section 7 of the AAP and section 5 of this background paper on implementation.

Affordable rent and the GLA's representation

- 4.85. The Mayor of London issued a letter of non conformity with the London Plan 2011(CDR1) in relation to policy 17. The Mayor's view is that policy 17 is not in general conformity with the London Plan and is inconsistent with the NPPF because it fails to include affordable rent. In summary the GLA view is that the omission of affordable rent is contrary to London Plan policies 3.11 3.12 and the guidance in the London Plan Housing SPG because it would not::
- seek to maximise affordable housing provision;
 - take account of the viability of future development taking into account future resources as far as possible, including the availability of public subsidy;
 - take account of the fact that as a matter of national policy Affordable Rented housing is intended to address the housing need of those eligible for Social Rent.

- 4.86. The Mayor asks us to include affordable rent within the part of policy 17 requiring 50% of affordable housing to be social rent. The view of the council is that policy 17 is in conformity with the adopted London Plan and is also consistent with the NPPF. The full GLA representation and our officer comments on their response are set out in appendix Q of the consultation report (CD5). We also set out further information below.
- 4.87. AAP policy 17 does not include the new product affordable rent. The fact box on affordable and private housing sets out a factual explanation of affordable housing, setting out the three definitions of affordable housing, as defined in the glossary of the National Planning Policy Framework. The fact box explains that in accordance with our Core Strategy and saved Southwark Plan, the AAP sets policies only for social rent and intermediate housing. We will be reviewing our approach at a borough-wide level through the preparation of our New Southwark Plan and updating our Affordable Housing supplementary planning document. The fact box sets out that at the moment we do not think that affordable rent is affordable for people in housing need in Southwark.
- 4.88. The policy on affordable housing has been developed through the various iterations of the AAP, with the final policy reflecting the comments we received at each stage of consultation and is justified by our evidence base. At the towards a preferred option stage (May 2011) , draft policy 23 set out the requirement for “50% of affordable homes to be intermediate housing and 50% of affordable homes to be social rented housing”. The fact box referred just to social rent and intermediate housing, as this was prior to the introduction of affordable rent through Planning Policy Statement 3.
- 4.89. Similarly at the preferred option stage of consultation (February 2012), draft policy 17 set out the requirement that “50% of affordable homes should be intermediate homes and 50% should be social rented homes”. PPS3 had been adopted by this time, and the draft NPPF had been out for consultation, both of which included affordable rent within their definitions of affordable housing in their glossaries, and so the fact box was updated to refer to this new type of affordable housing. The fact box set out similar wording to in the final submission AAP, explaining that we are looking at the implications of affordable rent through our affordable housing SPD and that at the moment we do not think it is affordable for people in housing need.
- 4.90. At both the towards a preferred option and the preferred option stages of consultation, we met the GLA as part of the consultation on the draft AAP and received written comments on behalf of the Mayor. At no point was concern raised by the GLA that the policy was contrary to the London Plan. It was only at the publication/submission stage of consultation that the GLA raised concern through their letter of non-conformity with the London Plan.

- 4.91. We are not proposing any changes to the AAP as a result of GLA representation as the approach has been developed through the various stages of consultation, our evidence base supports the policy as it stands, and as the fact box explains our approach adequately. There are two key parts of our policy approach, which we set out below in response to the GLA's representation.
- 4.92. Firstly, affordable rent is something that needs to be considered borough-wide and not just through an area action plan, as any change to a policy to include affordable rent may have knock on impacts on other parts of the borough and so it is important to look at this across the whole of Southwark. We will start preparing our New Southwark Plan later this year, and we will look at the implications of affordable rent and how best to approach it as part of this and also through our affordable housing SPD. In the meantime our borough-wide approach remains, with our affordable housing policies requiring a mixture of social rent and intermediate housing, as evidenced through our Strategic Housing Market Assessment (CDH1 and CDH1), Housing Requirements Study (CDH3, CDH4, CDH5) and Affordable Housing Viability Study (CDH7). This approach is supported by evidence in our affordable rent viability study (CDH11) which concludes that Southwark could continue with our current approach.
- 4.93. Where these policies cannot be met, through existing guidance in our affordable housing SPDs (CDL7 and CDL11) we require applicants to submit a financial appraisal to justify why the affordable housing policy requirement cannot be met. In light of the introduction of affordable rent, we took a report to Planning Committee in December 2011 (CDH15). This clarifies that our policies for social rented and intermediate housing continue to be used, and sets out how we will consider applications which are not policy compliant and which include affordable rent instead of the required social rent or intermediate housing. This approach has been successful to date in ensuring that affordable housing continues to be delivered despite the changes in funding and the ongoing recession.
- 4.94. Secondly as set out in the AAP fact box, at the moment we do not think that affordable rent is affordable for people in housing need in Southwark. Both the NPPF and the London Plan require housing policies to consider housing need and viability and that is what our current approach does.
- 4.95. In response to the revisions to PPS3, the publication of the NPPF and the proposed alterations to the London Plan we have assessed the impact that affordable rent would have in Southwark. We will continue to build on this work as we prepare the New Southwark Plan and revisions to the affordable housing SPD.
- 4.96. To first consider the requirements of the NPPF, the GLA assert that policy 17 is inconsistent with the NPPF because of the omission of

affordable rent and that it is not justified by local circumstances (paragraph 13 of the GLA response). They request that affordable rent needs to be included to ensure general conformity with the NPPF. We disagree with this point.

- 4.97. The NPPF includes affordable rent as a type of affordable housing within annex 2, the glossary (We repeat this definition within the AAP fact box on private and affordable housing). However, the NPPF does not require boroughs to have a policy which includes affordable rent. This view is supported by the advice we obtained with other London boroughs from Counsel (CDH17) which in paragraph 21 states “I don’t read the NPPF as requiring all forms of AH to be provided, and therefore it would be possible for a LPA to say that its evidence base supported only two types...” PPS3 placed a significant emphasis on relying on evidence looking at housing need and viability, and earlier versions of the AAP relied on this requirement in forming our policies. Whilst the NPPF has reduced some of the detail required by national government, it maintains a requirements for policies to be based on a robust evidence base. Paragraph 47 of the NPPF for example, explicitly states that LPA should “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.....”. Paragraph 159 also supports this setting out that “Local planning authorities should have a clear understanding of housing needs in their area”. The bullet points within paragraph 159 require boroughs to prepare a SHMA to assess their full housing needs.
- 4.98. Clearly, the NPPF continues to require boroughs to consider and look at addressing their housing needs, including the need for affordable housing, and nowhere within the NPPF does it require boroughs to have a policy specifically including affordable rent.
- 4.99. Similarly the adopted London Plan 2011 (CDR1) through policy 3.11 requires boroughs to sets an overall target for the amount of affordable housing (as we have done through our Core Strategy, CDL1) and to set separate targets for social rented and intermediate housing. At the time of preparing the London Plan, the affordable rent product had not yet been introduced and so all the evidence underpinning the adopted London Plan does not include the consideration of this new affordable housing product. Our response to the REMAS (CDH16) sets out more detail on this point.
- 4.100. The GLA also refer to the AAP not being in conformity with the REMAs. However, at the time of preparing this background paper, the Inspector’s report into the REMAs is not yet available and the adopted development plan remains the 2011 London Plan (CDR1). As set out in the council’s response to the REMAs (CDH17), and as set out above, the GLA and borough policies need to be based on evidence, as required through the NPPF. In terms of the REMAs, there is no evidence supporting the introduction of affordable rent to their policies,

as there is no new London wide SHMA, or indeed any new evidence on affordability has been prepared.

- 4.101. Whilst, Southwark are proposing to consider affordable rent at a borough-wide level, we have prepared two studies looking at affordable rent, to assist us in responding to the consultations on PPS3, the NPPF, the REMAs and to inform our local approach. We will build on these pieces of work as we prepare our New Southwark Plan and
- 4.102. We have prepared two studies: Affordable rent in Southwark study 2011(CDH10) and Impact of the affordable rent tenure on the viability of developments in Southwark 2011 (CDH11). Both studies support our concern that affordable rent is not affordable for the majority of people in housing need in Southwark and that it is not necessarily the most viable approach.
- 4.103. The affordable rent in Southwark study (CDH10) considers the affordability of affordable rent across the nine different postcode areas of Southwark (Affordable Rent Study CD10). It models a range of scenarios from 40% to 80% market rents for one, two, three and four bedrooms dwellings. It reinforces our initial modelling, showing that it will be very difficult for people in housing need to afford the affordable rent model, particularly family homes. For example, as shown on page 6 of the report, within the SE15 postcode for Peckham and Nunhead, the average income required to afford 80% of market rent at 30% gross income is £30,471 for a 2 bedroom property and £54,000 for a 3 bedroom property. This means that the majority of residents in Peckham and Nunhead could not afford 80% of market rent. As an example, the housing requirements study sub report for Peckham (page 10, CDH4) sets out that the average mean income is £19,900 and the median average income only £14,300, both which are considerably lower than the amount required to afford a affordable rented property at 80% of market rent.
- 4.104. The second study, undertaken by BNP Paribas - Impact of the Affordable Rent tenure on the viability of developments in Southwark (CD7) - looks at the viability of affordable rent in Southwark. It builds on the work in the affordability study, looking at the viability of a number of options across the nine postcodes. The study recommends maintaining our existing policy of a split between social rent and intermediate, and requiring a financial appraisal to justify a departure from our adopted policy. The study concludes on page 23 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”.
- 4.105. The GLA’s response refers to he policy being contrary to policy 3.11 of the London Plan specifically in reference to not seeking to maximise affordable housing provision. However, we disagree with this assertion by the GLA. The policy needs to be read alongside Core Strategy

strategic policy 6 which sets out that we will require as much affordable housing as is financially viable on developments involving 10 or more units. Further information is set out in the affordable housing SPD (CDH11) and the Planning Committee report confirming our approach (CDH15). The GLA response seems to focus solely on one aspect of London Plan policy 3.11 and 3.12 of maximising affordable housing provision. However, the London Plan policies are wider than just seeking to maximise affordable housing provision. For example, part C of policy 3.11 refers to boroughs taking into account current and future housing requirements, whilst part A of policy 3.12 also refers to seeking the maximum reasonable amount of affordable housing whilst having regard to current and future affordable housing requirements at local and regional levels. Furthermore, policy 3.8 of the London Plan on Housing Choice, sets out that Lads should ensure that new developments offer a range of housing choices, in terms of the mix of housing sizes and types. It also required that the provision of affordable family housing is addressed as a strategic priority in LDF policies.

4.106. Therefore, in conclusion, our view is that policy 17 is consistent with the NPPF (CDN1) and in general conformity with the adopted London Plan (CDR1). There is nothing in either document to require us to have a policy including affordable rent, and our evidence suggests that affordable rent will not meet the needs of the majority of people in housing need in Southwark.

4.107. **AAP Policy 18: Mix and design of new homes**

The Options Vision paper (2008)

4.108. The vision paper identified housing as one of the issues the area action plan would look at. It also identified the key development sites.

Issues and options (2009)

4.109. The issue of housing identified through the vision paper was taken forward into the issues and options where we developed two options. Option one was for major change, faster regeneration and would increase the amount of housing in the area. Option two was for minor change, slower regeneration which would limit the amount of housing in the area and encourage renewal of existing housing.

4.110. The report also referred to the options being considered as part of the Core Strategy. Option one of the Core Strategy issues and options included more family housing in Peckham. The Core Strategy issues and options report did not look at dwelling sizes.

4.111. We also set out options for making better use of some of our potential development sites, setting out high low and limited growth options for 27 sites. Many of these included housing. It did not set out how much

housing on each site would be family housing. More information on sites is set out in our sites background paper.

Towards a preferred option (2011)

- 4.112. We took forward elements of both options in the preparation of the Towards a preferred option, with the main focus on major change, faster regeneration.
- 4.113. At the towards a preferred option stage we set out 3 separate policies covering family homes, housing mix and wheelchair and lifetime homes. These closely followed the Core Strategy and saved Southwark Plan policies.
- 4.114. Towards a preferred option policy 25 – family homes was to provide more family housing across all tenures. We will do this by requiring developments of 10 or more units to increase housing choice and tenure by:
- 20% 3, 4 and 5+ bedroom units in the urban area and core action area
 - 30% 3, 4, and 5+ bedroom units in the suburban area.
 - All 3, 4, 5+ bedroom units must have direct access to private amenity space
 - All 3, 4, 5+ bedroom units should have sufficient play space for children and young people
- 4.115. Towards a preferred option policy 26 – housing mix was to provide a mix of housing sizes by:
- Requiring developments to meet the minimum dwelling standards
 - Encouraging developers to exceed these minimum standards
- 4.116. Towards a preferred option policy 27 - wheelchair and lifetime homes was to provide homes that meet the needs of residents throughout all of the different stage of life by:
- All development to be build to Lifetime Homes standards
 - At least 10% of developments with 10 or more units to be suitable for wheelchair users by meeting our wheelchair standards (as set by the South East London Housing Partnership).

Preferred Option (2012)

- 4.117. For the Preferred option we brought all these policies together into one policy – Policy 18 Mix and design of new homes. The content of the policy changed very little from the previous stages although we added detail to the supporting text to explain and justify our approach. The policy is:
- Developments of 10 or more units are required to provide the following mix of unit sizes, illustrated in figure 12:
 - A minimum of 20% 3, 4 and 5+ bedroom units in the urban zone and Peckham core action area.
 - A minimum of 30% 3, 4 and 5+ bedrooms units in the suburban zone.

- All 3, 4 and 5+ units must have direct access to private amenity space and should have sufficient play space for children and young people.
- All developments are required to meet or exceed the minimum dwelling standards set out in table 1.
- All development should be built to Lifetime Homes standards.
- Developments of 10 or more units are required to provide at least 10% of the developments suitable for wheelchair users by meeting our wheelchair standards.

Core Strategy and saved Southwark Plan policies

- 4.118. As set out above, AAP Policy 18 closely follows the Core Strategy and saved Southwark Plan policies which relate to the design and mix of new homes.
- 4.119. Core strategy strategic policy 7 requires that developments of 10 or more units must have:
- At least 60% 2 or more bedrooms
 - At least 20% 3, 4 or 5 bedrooms in the urban zone
 - At least 30% 3,4 or 5 bedrooms in the suburban zone
 - This may be split between private, social and intermediate housing
 - A maximum of 5% as studios and only for private housing
- 4.120. The Core Strategy also sets out that family housing must provide a minimum of 10sqm of private amenity space to ensure that children have somewhere to play. This is also required by saved Southwark Plan policy 4.3 which requires direct access to private amenity space.
- 4.121. The Core Strategy also sets out family housing requirements for our other actions areas. For Peckham and Nunhead we set out that we will consider whether we should vary the level of family housing through the area action plan consultation.
- 4.122. Core Strategy strategic policy 7 sets out that all developments will be expected to meet the Council's overall floor sizes.
- 4.123. Saved Southwark Plan policy 4.2 requires new development to achieve good quality living conditions, including high standards of space.
- 4.124. Core Strategy strategic policy 12 requires that developments achieve the highest possible standards of design. It requires design and assessments with applications and encourages Building for Life Assessments.
- 4.125. Saved Southwark Plan policy 4.2 requires development to achieve good quality living conditions including accessibility and seeking to ensure Lifetime Homes standards.

Sustainability appraisal (CD2)

- 4.126. No negative impacts were identified for any of the options set out in the issues and option report. The higher growth options scored more positively as this would enable more opportunity for improvements in the area.
- 4.127. The sustainability appraisal identified that the Towards a preferred option policies on the design and mix of homes had an overall positive impact on the sustainability indicators.
- 4.128. At the preferred option stage, this policy had positive impacts on most of the sustainability indicators but it also had some uncertain effects on the townscape, heritage, open space and infrastructure indicators. The uncertain scores were largely due to the impact being dependant on the detailed design of development which will not be known until the pre-application/application stage.
- 4.129. As the policy has changed very little from the preferred option to the submission draft the findings of the final SA were very similar. Overall, publication/submission policy 18 has a positive impact on the relevant sustainability indicators, with a number of uncertain impacts that will depend on the detailed design of new development. We have ensured that the other policies in the AAP seek to address these uncertainties, such as high quality design, local character, open space etc and have added wording to the supporting text to highlight these links.

Equalities

- 4.130. The equalities analysis (CD3) identified that the policies could unintentionally provide unsuitable homes that do not meet housing need. It also identified that new housing may only cater for a broad market and fail to cater for specific groups of people such as families with young children and disabled people.
- 4.131. The Publication/Submission policy takes these possible negative impacts into account by ensuring that the policy is based on evidence so that the new housing will help to meet housing need.

Consultation responses

- 4.132. Consultation on the vision paper highlighted concern with the loss of family housing and the need for more family housing.
- 4.133. The issues and options consultation also highlighted the need for more family housing as well as more housing with gardens.
- 4.134. The Towards a preferred option consultation generated a number of comments from developers and landowners who sought clarity and flexibility on the application of our dwelling standards and requirements for family homes.

4.135. The consultation on the preferred option report demonstrated that respondents were concerned with ensuring that affordable family homes were provided with an appropriate amount of amenity space.

4.136. The draft submission policy responds to these comments by requiring more family housing than under Southwark Plan policies and requires direct access to private amenity space for all family housing. It also requires minimum dwelling sizes and helps provide better sized homes to meet the needs of residents.

The strategy

4.137. Draft submission policy 18 aims to ensure that the appropriate size and type of homes are delivered in Peckham and Nunhead. This includes requiring 20% family housing in the urban zone and the core action area and 30% in the suburban zone. This approach takes into account the need for more family housing and the most suitable areas within Peckham and Nunhead to provide family housing so that the appropriate levels of amenity space can also be provided.

4.138. The draft submission policy also sets out our requirements for the design of new homes, including:

- minimum floor area standards for new dwellings
- family sized homes must have direct access to private amenity space
- all development generating potential for 10 or more children are to provide play space for children and young people as part of the scheme
- all development should be built to lifetime homes standards.

4.139. This approach supports our evidence which shows that the average size of new homes in London do not meet residents space needs. Ensuring that new homes meet the lifetime homes standard will help people to remain in their homes for longer as they are designed to be more flexible and adaptable through out the life of the occupants. We removed the reference to wheelchair housing from the policy and will rely on London Plan policy 3.8 for this requirement.

Justification

Family housing

4.140. Our evidence shows that there is a need for more family housing across all tenures across Southwark. Our strategic housing market assessment (2009) (CD1) shows that there is a 60% need for family housing when modelled against the previous London Plan (2008) housing targets. Our housing target in the London Plan (2011) is higher and we therefore assume that the need for family housing will be even higher than the assessment in 2010.

4.141. At the moment we do not have enough family housing to meet need and new developments do not provide enough family housing to meet

this need. For example our Annual Monitoring Reports shows that between 8 and 13% of new homes completed over the past few years have 3 or more bedrooms.

- 4.142. Many of Peckham and Nunhead's residents currently live in unsuitable housing, and frequently this is due to overcrowding. Our housing requirement study sub-reports (2009) (CDH4 and CDH5) show that 12.3% of households in Peckham and 13% in Nunhead and Peckham Rye live in overcrowded conditions. Requiring more family housing will help to reduce this.
- 4.143. We require different amounts of family housing based on the density zone of the area to take into account its existing character and public transport accessibility levels. It is also based on the ability of the development to provide amenity space for family housing.
- 4.144. The approach is a balance between meeting housing need for more family housing and ensuring that development is viable. Our Affordable Housing Viability Assessment (2010) (CDH7) concludes that whilst an increase in the proportion of family housing does have some impact on residual values, it is unlikely to be sufficiently significant to affect the ability of developers to bring sites forward.
- 4.145. The approach follows Core Strategy policy 7. We do not need to change the approach in the AAP. It also helps to deliver London Plan (2011) (CDR1) policy 3.8 on providing housing choice. Requiring amenity space to ensure children have space to play is also a requirement of London Plan (2011) policy 3.6.

Dwelling sizes

- 4.146. There is much evidence to demonstrate that London's homes are some of the smallest in Europe and that they do not meet the space needs of residents. In response to this, the Mayor introduced new space standards through policy 3.5 of the London Plan (2011) (CDR1). The policy states that "LDFs should incorporate minimum space standards that generally conform with table 3.3" whilst allowing boroughs to develop their own standards as long as they generally reflect this table. Table 3.3 sets out minimum space standards for new dwellings. The recent Mayor's draft Housing SPG (2012) (CDR5) expands on these standards, providing more detailed guidance on the quality and design of new homes.
- 4.147. The Mayor set out supporting evidence for the minimum room sizes in a background report that was used at the EIP: House Design Standards Evidence Summary. The standards have been subject to an independent impact assessment (Draft London Housing Design Guide: Cost and Delivery Impact Assessment, GVA Grimley, LDA, GLA, HCA 2010) (CDH25) and were incorporated in a wider viability appraisal of SHLAA housing capacity (Strategic Housing Land Availability Assessment and Housing Capacity Study Viability Assessment. BNP

Paribas and Atkins, GLA, 2010) (CDH26). These studies conclude that whilst the standards will mean that dwellings will have to be larger which will increase the cost of construction, it is considered that in the majority of instances the requirement will not render a scheme unviable.

- 4.148. Our Core Strategy policy 7 sets out that we expect all developments to meet our minimum overall floor sizes. Historically we have set out our standards within SPD guidance. Thus we updated our residential design standards in line with London Plan policy 3.5 and table 3.3 to set out our new minimum space standards in 2010/2011. Our Residential Design Standards SPD (2011) (CDL19) is based on the standards in the London Plan.. The AAP provides the opportunity to incorporate minimum dwelling sizes into a DPD policy, which holds more weight than guidance in SPDs. We have chosen to do this because our evidence suggests that overcrowding and small dwelling sizes are a significant issue in Southwark and so we feel that it is appropriate to incorporate this important requirement into a higher level policy document. This is in accordance with the London Plan which introduced minimum dwelling into the development plan in 2011.
- 4.149. In addition to the evidence showing that London's housing is often very small, our evidence studies including both our strategic housing market assessment (2009) (CDH1) and our housing requirements study (2009) (CDH3) also demonstrate the need for larger sized dwellings. As acknowledged in our Core Strategy, 2 bedroom dwellings are frequently used for families as there are not enough affordable 3 bedrooms and larger dwellings. Furthermore our housing requirements study sub reports (2009) (CDH4 and CDH5) show that there is considerable overcrowding with 12.3 % of households in Peckham community council area and 13% in Nunhead and Peckham Rye community council area living in overcrowded conditions. This is higher than the Southwark average, which is already higher than the London average. Larger dwelling sizes will help alleviate some of this overcrowding, whilst requiring more family housing will also help.
- 4.150. As explained above, our standards are based on those in the London Plan which the GLA confirmed through their representations on the SPD are in conformity with the London Plan. They have not raised concern on the standards through their comments so far on the AAP. The main difference between our standards and the London Plan standards it that we have included an average for each type of development. For example we have set out a 2 bedroom average for a flat of 66sqm, and a 3 bedroom average for flats of 85 sqm. The approach allows developers scope to vary dwelling sizes to suit the needs and circumstances of an individual development, whilst also working towards meeting the need for more larger sized dwellings in the AAP area. The standards are flexible by allowing for varying levels of occupancy in new dwellings whilst also ensuring that a minimum average is met so that as an example developments are not built with

all the 3 bedroom flats built to the smallest specification. We followed the same approach in Policy 23 Family Homes of the Canada Water AAP (CDL23) which was found sound and adopted in March 2012.

Lifetime homes

- 4.151. There is a well documented need for better quality housing across the whole of London.
- 4.152. Requiring Lifetime Homes standards increases the sustainability of new developments as because homes are built to accommodate the changing needs of occupants throughout their lives, they do not need to move when their lives change. Habinteg Housing Association's Lifetime Homes standards are nationally recognised as raising the standard of housing. They are based around meeting 16 design features which are set out in section 2.9 of our residential design standards supplementary planning document. Requiring Lifetime Homes standards is also a priority for the Mayor with the London Plan (2011) policy 3.8 requiring all homes to be built to the Lifetime Homes standards.

5. IMPLEMENTATION

- 5.1. Section 7 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.
- 5.4. Many of the sites in Peckham and Nunhead are owned by the council and we are committed to bringing these forward for development. We have already successfully developed sites such as Peckham Square and the major redevelopment of the north Peckham Estate. Many of the largest proposals sites are council owned including the former Woodene Estate (PNAAP 5) which will be submitted to the council for planning in Spring 2013. A planning application is also due to be submitted on Cator Street (PNAAP 8) for an extra care housing development, which is directly funded by the Council (see below). We are also marketing some of our other sites such as Eagle Wharf (PNNAP 10) and Woods Road (PNAAP 15).

Directly funded housing delivery

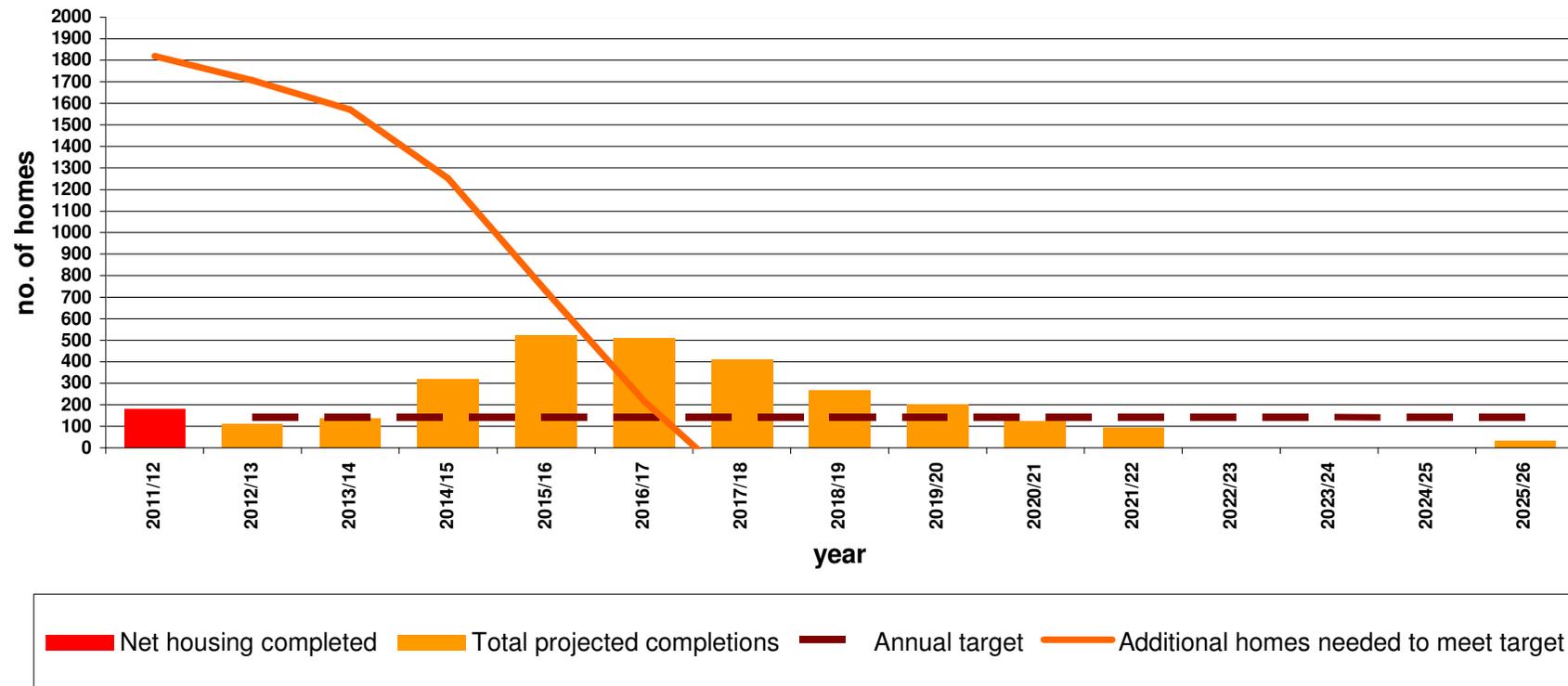
- 5.5. In May 2012 the Cabinet announced the intention to build 1,000 new council homes in Southwark by 2020. Whilst we have continuously brought forward our own land for development, this project differs in that the council will be directly delivering the development, rather than the usual process of 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.

- 5.6. Some of the sites identified within the report as part of phase 1 are within Peckham and Nunhead. The schedule of proposals sites in appendix C of the AAP cross references to the site being identified for direct delivering. It includes the following sites for conventional affordable council housing:
- PNAAP 8: Cator Street/Commercial Way
 - PNAAP 11: Nunhead housing site (Previously Nunhead community centre sites)
 - PNAAP 13: Sumner Road workshops
 - PNAAP 29: Garages adjacent to Clayton Arms pub, Clifton Estate, Clayton Road
- 5.7. Cabinet also agreed the report recommendation to work up a proposals for extra care facilities at site PNAAP 8: Cator Street/Commercial Way to increase extra care housing and housing choice for adults living with a disability.

6. DOCUMENT REFERENCES

- CDN1 National Planning Policy Framework (2012)
CDR1 London Plan (2011)
- CDR2 London Plan Revised Early Minor Alterations (2012)
CDR15. Mayor's draft Affordable Housing note (November 2011)
CDR16. Draft Revised London Housing Strategy (December 2011)
CDR22 Mayor's Housing SPG (November 2012)
- CDL1 Core Strategy (2011)
CDL2 Saved Southwark Plan (2007)
CDL7 Affordable Housing SPD (2008)
CDL10 Residential Design Standards SPD (2011)
CDL11 Draft Affordable Housing SPD (2011)
- CDH1. Strategic Housing Market Assessment (2009) key findings report
CDH2. Strategic Housing Market Assessment (2009) core data report
CDH3. Southwark Housing Requirements Study (2009)
CDH4. Southwark Housing Requirements Study sub report – Peckham
(2009)
CDH5. Southwark Housing Requirements Study sub report – Nunhead
and Peckham Rye (2009)
CDH6. Southwark Housing Strategy (2009)
CDH7. Southwark Affordable Housing Viability Study (2010)
CDH8. Southwark Housing Development Capacity Assessment March
2013
CDH9. Additional Housing background information July 2010
CDH10. Affordable rent in Southwark study (2011)
CDH11. Impact of the affordable rent tenure on the viability of
developments in Southwark 2011 (2011)
CDH12. Core Strategy housing background paper one
CDH13. Core Strategy housing background paper two
CDH14. Core Strategy housing background paper three – density
CDH15. Southwark Council Planning Committee Report – Clarification of
our approach to affordable rent, December 2011
CDH16. Southwark Council response to the London Plan Revised Early
Minor Alterations June 2012
CDH17. Counsel advice on the GLA's and Mayors approach to
affordable housing in the London Plan

Appendix A – housing trajectory



Site Ref No.	Site Name	Phasing by year (approx)	Student housing	Affordable	Affordable Rent	Social rented	Intermediate	Market	TOTAL
PNAAP 01	Aylesham Centre inc Morrisons	2019-2020		140		70	70	260	400
PNAAP 02	Cinema / multi storey car park	2020-2021		56		28	28	104	160
PNAAP 04	Copeland Industrial Park (CIP)	2019-2020		94		47	47	176	270
PNAAP 05	former Wooddene Estate	2015-2016		127		63	64	233	360
PNAAP 06	Peckham Rye Station Environs	2015-2016							0
PNAAP 07	Copeland Road Car Park	2018-2019		26		13	13	49	75
PNAAP 08	Cator Street, Commercial way	2018-2019		63		32	31	117	180
PNAAP 10	Eagle Wharf	2018-2019		9		5	4	16	25
PNAAP 11	Nunhead Green community centre, 56 Nunhead Lane	2015-2016		5		2	3	10	15
PNAAP 12	Nunhead Green early years centre, 5 Nunhead Grove	2015-2016		6		3	3	12	18
PNAAP 13	Sumner Road workshops	2015-2016		56		28	28	104	160
PNAAP 15	Woods Road	2015-2016		40		20	20	75	115
PNAAP 16	SUMNER HOUSE	2018-2019		16		8	8	29	45
PNAAP 17	Land to west of Lister health centre	2015-2016		5		2	3	10	15
PNAAP 19	Former Kennedy Sausage factory, 82-86 Peckham Road, London, SE15 5LQ	2012-2013		38		28	10	6	45

PNAAP 20	190 Rye Lane	2025- 2026			3		0	3	10	10
PNAAP 21	180 Rye Lane	2012- 2013			0		0	0	8	8
PNAAP 22	174 Rye Lane (ASDA)	2016- 2017			5		2	2	10	15
PNAAP 23	Land to south of Co-op House	2020- 2021							8	8
PNAAP 24	Peckham Rye Baptist Church	2025- 2026			8		4	4	15	23
PNAAP 25	Former Peckham Library	2019- 2020							5	5
PNAAP 26	Former Acorn/Peckham neighbourhood office	2018- 2019							5	5
PNAAP 27	Former petrol station site, Queens Road, adjacent to Woodene	2015- 2016							7	7
PNAAP 29	Clayton Road Garages, adjacent to Clayton Arms pub	2018- 2019			6		3	3	10	16
PNAAP 30	151 - 161 Gordon Road	2014- 2015			7		7	0	0	7
PNAAP 31	117-119 and 122-148 Ivydale road	2013- 2014						0	0	19
PNAAP 32	Bredinghurst School, Stuart Road	2018- 2019			14		7	7	26	40
					724	0	372	351	1305	2046

Permissions

PKM10 0	38 St Mary's Road	2012- 2013			26		26	0	0	26
PKM10 8	1 Astbury Road	2015- 2016			0		0	0	2	2
PKM11 1	35 Green Hundred Road (Free Trader P.H)	2014- 2015			0		0	0	6	6
PKM11 4	25-35 Chesterfield Way	2012- 2013			13		13	0	0	13

PKM17	139 Queens Road	2012-2013		6		3	3	6	12
PKM30	82-86 Queens Road	2013-2014		32		32	0	0	32
PKM34	1-15 Bournemouth Road and 143 - 147 Rye Lane	2014-2015		49		24	25	16	65
PKM36	Land to the rear of 1-27 Brabourn Grove, 175-205 Hollydale Road and 74-78 Evelina Road	2012-2013		10		10	0	12	22
PKM39	Camberwell College of the arts, 166 Sumner Road	2013-2014		39		28	11	0	39
PKM40	Garage & nursery site, Lindley Est. Peckham Park Road	2014-2015		16		16	0	0	16
PKM41	142 - 150 Rye Lane	2013-2014		0		0	0	9	9
PKM44	The Swan, 59 Peckham Park Road	2012-2013		0		0	0	7	7
PKM81	17 Oglander Road (Oglander P.H)	2012-2013		0		0	0	7	7
PKM85	130-136 Gordon Road	2013-2014		0		0	0	9	9
PKM89	Land at and to the rear of 16-18 Gibbon Street	2014-2015		0		0	0	6	6
PKM93	2-8 Ansdell Road	2015-2016		0		0	0	7	7
PKM99	91 Choumert Road	2013-2014						1	1
PKM100	91 Lyndhurst Grove	2013-2014						3	3
PKM101	St James The Great Church, 45 Elm Grove	2013-2014						9	9
PKM102	122 Lyndhurst Way	2013-2014						1	1
PKM103	Adjacent To 79, Asylum Road	2012-2013						2	2

PKM10 4	66 Peckham Hill Street	2013- 2014							1	1
PKM10 6	37 Gautrey Road	2013- 2014							1	1
PKM10 8	Oakdale Road	2013- 2014							1	1
PKM10 9	Site Adj Acent To 18 [20a]Stuart Road	2013- 2014							4	4
PKM11 0	Between 10 And 12Ellery Street	2013- 2014							1	1
PKM11 1	9 Peckham High Street	2013- 2014							2	2
PKM11 4	172-174 Queens Road	2013- 2014							3	3
PKM11 5	157-163Queens Road	2013- 2014							2	2
PKM11 6	Site Adjacent To 19 Rosenthorpe Street	2012- 2013			12					12
PKM11 8	Site To The Rear Of 119a-133a, Kirkwood Road	2013- 2014							4	4
PKM11 9	15 Inverton Road	2013- 2014								1
PKM12 2	Rear Of 16 Asylum Road	2013- 2014							2	2
PKM12 4	56 Linden Grove	2013- 2014			1					-4
PKM12 5	60 Nunhead Lane	2013- 2014							1	1
PKM12 7	The Alliance, 260 Sumner Road	2013- 2014							7	7
PKM12 8	Garages Site, Caulfield Road	2012- 2013			3					3
PKM12 9	Lindley Estate, Garages And Nursery Site, Peckham Park Road	2013- 2014			16					16
PKM13	Rear Of 4 Mundania Road	2012-							1	1

0		2013												
PKM13 1	Site Between 20 & 24 Reynolds Road	2013- 2014							2	2				
PKM13 3	the swan, 59 Peckham Park Road	2013- 2014							7	7				
PKM13 5	64 Nunhead Lane	2014- 2015							1	1				
									223	0	152	39	143	362
DCA sites														
PKM10 5	Site adjacent to 100 Glengall Road	2015- 2016			0		0		0	2	2			
PKM10 7	39-41 Willowbrook Road, London	2015- 2016			0		0		0	3	3			
PKM11 0	13 Radnor Road	2015- 2016			0		0		0	2	2			
PKM35	50 Stuart Road	2015- 2016			4		0		0	13	13			
PKM64	269-275 Rye Lane	2015- 2016			0		0		0	8	8			
PKM76	237-247 Rye Lane	2015- 2016			0		0		0	7	7			
PKM83	215-219 Rye Lane	2015- 2016			0		0		0	5	5			
PKM91	Saint Mary's Church, Saint Mary's Road	2015- 2016			0		0		0	5	5			
PKM13 4	62 Nunhead Lane	2014- 2015							1	1				
PKM12 4	Corner of Sternhall Street and Alpha Street	2019- 2020												
PKM19	97 Peckham Road	2019-												

		2020												
PKM22	230 Rye Lane	2019-2020												

Year	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Net housing completed	180													
Total projected completions		113	137	318	524	510	410	265	200	124	95	0	0	0
Annual target		143	143	143	143	143	143	143	143	143	143	143	143	143
Additional homes needed to meet target	1820	1707	1570	1252	728	218	-192	-457	-657	-781	-876	-876	-876	-876