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Statement for Matter 3 – Southwark’s Housing Needs

3.11 What is the evidence on affordable housing needs, and what does it say?

Evidence from the SMHA: *“affordable housing need exceeds the targets, while its delivery falls short; ‘The level of need identified is higher than the current or proposed housing targets for Southwark in the London Plan and recent average levels of housing completions”* (SP107 3.41) and *“...achieved provision in the past falls well below the estimated future annual level of affordable need. In the last four years...affordable provision made about 25% of all housing completions”* (4.74).

Evidence provided to Southwark Council’s convened Homelessness Forum:

- The council has made 1,894 homeless decisions in the 2020/2021 financial year compared to 1,421 in the same period in 2019/2021.
- The council accepted 479 homeless applications as priority need in 2020/2021 compared to 461 in the same period in 2019/2020.
- The council has received 2,005 homeless applications in the 2020/2021 financial year compared to 1,358 in the same period of the 2019/2020 financial year.
- The biggest expenditure by a service in the council during COVID19 is the Housing Solutions service with a projected £8.9 million overspend.
- There are 3,294 homeless households living in temporary accommodation compared to 3,285 at the last meeting.
- There are 13,787 households on the housing register compared to 12,914 in July 2020.
- There are 106 former rough sleeping people living in first stage emergency temporary accommodation housed through the Everyone In work compared to 125 people at the last meeting. 72 of these people are NRPF.
- There are 190 housing register applications waiting an assessment to join the housing register compared to 159 last time.

In summary, the position in terms of homelessness and households stuck in temporary accommodation is getting worse every month in Southwark.

3.12 What is the past record in terms of the delivery of affordable housing and how will future delivery be achieved?

Southwark Council does not have an effective annual monitoring strategy which is a requirement if the AMR of local plans. We understand one is being developed but at this stage there is no way to independently assess any claims made in respect of affordable housing and therefore any answer to this question would not be justified.

3.14 Is the minimum 35% requirement (on sites of 10+ units) justified in response to the evidence on the Borough's need for affordable housing? As with Aylesbury is it likely that forthcoming Area Action Plans for specific parts of the Borough could set alternative and specific affordable housing requirements?

The borough-wide affordable housing threshold should be set at 50% for all developments, as Islington Council have done in their draft local plan but failing this an alternative would be to set higher local targets, for specific areas of the borough, particularly where need for social rent is highest.

P4 – Private Rented Homes

3.34 Is Policy P4 justified in requiring 20% affordable rent at London Living Rent equivalent and 15% social rent equivalent given the identified need for social housing in Southwark?

No, there is no justification for this policy, taking into account the current and long-term projected impact of the pandemic, which is likely to result an even greater increase in the need for social rent homes. GLA data from 2020 showed the huge impact the restrictions brought into place by the pandemic was having on private renters in the country being able to meet their very high rent payments in London.¹

We question whether the model on which the Build to Rent policy is based can go forward in terms of viability into a deep recession, when the policy allows for 65% market/unaffordable rents. These are going to either put people in debt and rent arrears, or they are leading to empty properties and deterring people from living in the area. Southwark already has a large and persistent problem with unaffordable rents, which has been acknowledged by the council and its members repeatedly. Again, Islington Council's draft local plan acknowledges that the affordable rent is not affordable.²

Furthermore, we have concerns that Southwark Council does not have an up-to-date intermediate housing list thus rendering the policy ineffective in respect of the higher LLR requirement. We await and update from Southwark Council in this respect.

However, as it stands, the policy is not justified in this. The policy should require 35% affordable housing in the same tenure split as P1. There is no justification for incentivising Build to Rent developments and it becomes perverse when it leads to a loss of social housing.

3.36 Is the policy justified introducing minimum tenancy periods and break clauses? Is this addressed by other legislation?

Yes. The justification for P4 is that it will provide secure, and more affordable housing to otherwise poorly served private tenants (EIP27A, P4, Reasons, 2).

¹ <https://www.london.gov.uk/press-releases/mayoral/mayor-calls-for-two-year-rent-freeze>

² Islington Local Plan Strategic and development management policies, draft, policy H11 A(ii), page

3.37 Is the minimum 30-year term for private rented and clawback mechanisms justified?

If there are to be Build to Rent developments, the 30-year covenant term and clawback mechanisms are justified. They will go some way to ensure that schemes remain as a better offer for private tenants, which is the justification for having the policy.