

Elephant Amenity Network

Comments on changes to the

NEW SOUTHWARK PLAN PREFERRED OPTION -

NEW AND AMENDED POLICIES June 2017

Our comments are on the amendments, additions and deletions to the NSP Preferred Option.

Paragraph numbers and headings without brackets are to the [New Southwark Plan: New and amended preferred option policies](#).

Paragraph numbers and headings in brackets are to the [New Southwark Plan Preferred Option \(Consultation version web\)](#)

DM1 Affordable homes

1.1 The previous text supporting the affordable housing requirements, detailed in 1.1, has been removed and the caveat 'subject to viability' has been inserted. Although the requirement is given in Table 1.1 the text gives it additional weight and should be restored.

Quality, affordable housing

DM1 Affordable homes

Planning permission will be granted for:

1

A minimum of 35% affordable housing where at least 70% of the affordable housing is for social rent and up to 30% is intermediate where developments provide 10 or more homes, as set out below, unless affordable housing requirements have been set through an area action plan. The affordable housing requirement will be calculated on a per sum basis of the entire Gross Internal Area of the building used as dwellings:

Table 1: Affordable housing requirements

Market Housing	Affordable housing	
	A minimum of 35%	
Up to 65%	Intermediate housing	Social rented housing
	Up to 10.5%	A minimum of 24.5%

Amended Policy

DM1 Affordable Homes

Planning permission will be granted for development providing 11 or more homes which provide:

1.1

A minimum 35% affordable homes, as set out below, subject to viability.

Market Housing	Affordable housing	
	A minimum of 35%	
Up to 65%	Intermediate homes	Social rent homes
	Up to 10%	A minimum of 25%

Proposed change; remove the 'subject to viability caveat' and restore the previous text, amending number to '11' – **'A minimum of 35% affordable housing where at least 70% of the affordable housing is for social rent and up to 30% is intermediate where developments provide 11 or more homes, as set out below, unless affordable housing requirements have been set through an area action plan.'**

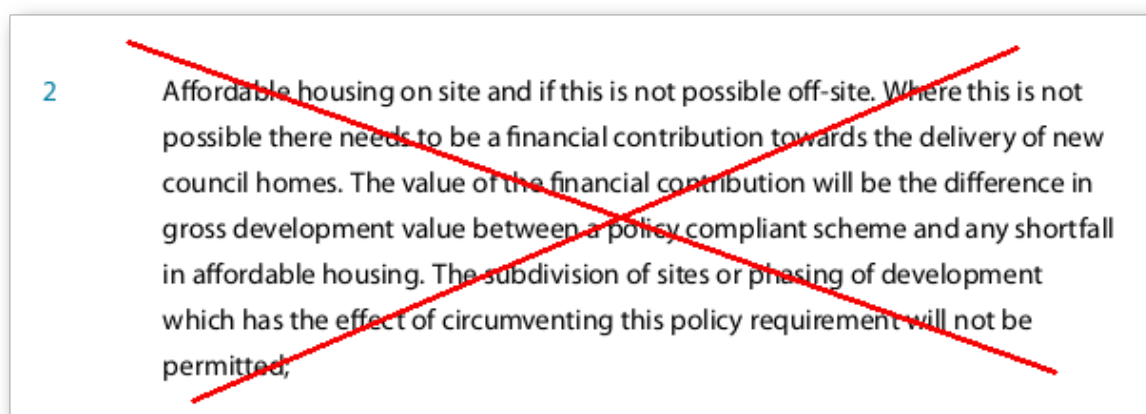
The method for calculating the affordable housing requirement has been removed. The method determines the quantum of affordable housing a development will deliver and should be included in the NSP text. Of the three measures used for this calculation - by unit, by habitable room, by gross internal area - the last is the most accurate.

Proposed change; restore previous text – ‘**The affordable housing requirement will be calculated on a per sq m basis of the entire Gross Internal Area of the building used as dwellings.**’

1.2 The inclusion of the box detailing the affordable housing requirements for the Aylesbury Area Action Plan is confusing. It appears that they are an alternative to the requirements of 1.1, and without any explicit statement that they would only apply to the Aylesbury AAP area could be interpreted as applying throughout Southwark (which is what we assume is not intended). It is also not clear why the Aylesbury AAP is included when there are other AAP/OAPF areas that are exceptions to 1.1.

Proposed change – clarification of the extent of the Aylesbury AAP’s application; inclusion or reference to other AAP/OAPFs.

(2) This paragraph has been deleted. It removes the hierarchy of preferred affordable housing provision - on-site, off-site, in lieu payments – detailed in the London Plan (Mayor’s Affordable Housing and Viability SPG, para 2.57). It also removes the method of calculating any in lieu payment. These appear to be serious omissions and contrary to the London Plan. Southwark appears to be discarding off-site and in lieu payments, where this is justified, as an alternative to on-site provision.



Proposed change; restore previous text – ‘**Affordable housing to be provided on site and if this is not possible off-site. Where this is not possible there needs to be a financial contribution towards the delivery of new council homes. The value of the financial contribution will be the difference in gross development value between a policy compliant scheme and any shortfall in affordable housing. The subdivision of sites or phasing of development which has the effect of circumventing this policy requirement will not be permitted;**’

2 This is inadequately worded because it gives no indication of how much small development (less than 10 homes) will provide as a financial contribution; previously para 3, NSP Preferred Option gave the method for calculating the amount, but this has been deleted.

Proposed change; restore text of para 3 – ‘**The value of the financial payment will be the difference in gross development value between a scheme providing the level of affordable housing required through DM1.1, and a fully private housing scheme**’

(4) This paragraph has been deleted for no reason that we can think of; Southwark and the Mayor have different intermediate thresholds and developers should meet the lower Southwark threshold. There are words to this effect in the ‘Reasons’.

Proposed change; restore text of para 4 NSP Preferred Option - ‘**Intermediate tenure homes which are affordable to Southwark residents and meet local intermediate income thresholds.**’

Reasons

Para 2 This sentence is needlessly vague and will encourage developers to game the system, with a consequent loss of affordable housing. The previous, deleted, text reiterated that the headline 35% affordable housing requirement was viable and deliverable and that a viability assessment would be needed to justify less affordable housing and that developer should not gain a financial advantage from delivering affordable housing off-site.

~~We have set a target for all new major development providing 10 units or more to deliver a minimum 35% affordable housing as a proportion of the residential floorspace of the development. This is a viable and deliverable amount for developments in Southwark to provide, and where this level of provision can not be achieved for reasons of viability, the council will require a full viability appraisal. The methodology to determine the value of any required financial contribution ensures there cannot be a financial advantage to the developer from not delivering the affordable housing on-site. The minimum affordable housing requirement applies to both new development and any uplift in housing from redevelopments (current affordable housing provision will be retained). We will increase the supply of affordable homes to meet our affordable housing need through the direct provision of 9,500 new council homes between 2018 and 2033. Requiring a financial contribution from schemes providing nine homes or fewer will finance the delivery of additional council homes.~~

Proposed change; restore text - ‘**We have set a target for all new major development providing 10 units or more to deliver a minimum 35% affordable housing as a proportion of the residential floorspace of the development. This is a viable and deliverable amount for developments in Southwark to provide, and where this level of provision cannot be achieved for reasons of viability, the council will require a full viability appraisal. The methodology to determine the value of any required financial contribution ensures there cannot be a financial advantage to the**

developer from not delivering the affordable housing on-site.'

(Para 2, second part) Text that made it clear that affordable housing requirements apply to uplift in redevelopments and that current affordable housing provision will be retained has been deleted. Southwark's commitment to delivering 9,500 new council homes has also been deleted.

Proposed change; restore the following text – **'The minimum affordable housing requirement applies to both new development and any uplift in housing from redevelopments (current affordable housing provision will be retained). We will increase the supply of affordable homes to meet our affordable housing need through the direct provision of 9,500 new council homes between 2018 and 2033. Requiring a financial contribution from schemes providing nine homes or fewer will finance the delivery of additional council homes.'**

(Para 4) The sentence that affordable rent will not be accepted as an affordable housing tenure has been deleted. The case that affordable rent does not meet the housing needs of Southwark's residents is amply supported by the evidence and in the absence of any evidence justifying a change, current policy should be maintained.

~~We will not accept affordable rent as it fails to meet the affordable housing needs of Southwark's residents in need of affordable housing (see Southwark Affordable Rent Study 2015)~~

Proposed change; restore sentence – **'We will not accept affordable rent as it fails to meet the affordable housing needs of Southwark's residents in need of affordable housing (see Southwark Affordable Rent Study 2015).'**

(Para 5) The second half of the final sentence that encourages more social rented housing than the minimum 25% has been deleted. Affordable housing policy is supported by an NSP evidence base and the preceding text notes the *'most acute affordable housing need is for social rented housing.'* Any additional social rented housing would also be subject to viability testing. Removing any encouragement to providing social rented housing is therefore unjustified.

Proposed change; restore text - **'...and we allow additional social rented housing in place of intermediate tenure homes and market homes'.**

DM4 Private rented homes

1 This addition, 'Provide more than 100 homes' implies that applications of less than 100 homes will not get planning permission. If that is not the intended meaning the purpose of DM4.1

needs clarification. (NB This addition also renders the introductory sentence tautological; the introductory sentence should be reworded).

The purpose of this threshold (if that is what it is) is not explained and no reason is given for the level that has been set. We are therefore in the unsatisfactory position of being unable to make specific comments. Our previous comments, at the Preferred Option stage, was that there had been no consideration of the social and economic impact of private rented sector (PRS) developments, whatever their size, nor any evidence presented that the tenure meets Southwark's housing need, which makes DM4 inadequate.

Proposed action – clarification of rationale behind DM4.1

5 This sentence is contradictory; the homes cannot be secured for the rental market both in perpetuity and for a 30 year term. We surmise that it is the affordable housing element that is meant to be secured in perpetuity and the free-market rental that is to be secured for 30 years.

If this is the case we have several concerns. First, 30 years is a relatively short period of time for housing and, if it is thought that an expansion of PRS is beneficial (not a view EAN shares), then the term should be much longer. The owner will otherwise be tempted to 'cash in' their investment at the end of the term for a windfall profit, with disruptive consequences for tenants. An unwelcome trade may also develop for ownership of PRS housing, with the express intention of making such 'end of covenant' profits, by either selling off the homes or ramping-up rents. We also doubt whether it is practical to expect that the affordable housing element in any PRS scheme will remain so in perpetuity, if the free-market rental housing is sold.

Proposed change – covenants securing PRS to be longer than 30 years.

6 The minimum three year tenancy period is too short. While it is no doubt better than much that is on offer in the private rented sector it is only so because of the extent of bad practices. If PRS is to be exemplary, then the minimum tenancies should be at least 5 years.

We also note from the current planning application for the Elephant and Castle shopping centre (16/AP/4458) which includes PRS homes, that the rents for each tenant will be reconsidered at the end of their tenancies, and could rise or fall, according to their income. Southwark should examine whether means-testing tenants in this way, to establish the rent to be paid, is equitable or whether it would create income traps, whereby increased income automatically passes to the landlord. This is a factor that needs greater consideration before promoting PRS schemes with public policy.

Proposed change – tenancies to be a minimum of 5 years

8 We support the requirement that PRS developments provide affordable housing in accordance with DM1.1.

9 We can see no justification whatsoever for this addition (DM4.9), which will give the option of delivering no social rented housing to PRS developments, an option we have no doubt will always be exercised, rendering DM1 null and void for the PRS. The addition also represents a complete

reversal of Southwark's previous policy on affordable rent, which was not allowed, except in exceptional circumstances.

While the 35% affordable housing requirement remains, the proposed split between tenures removes social rented housing, replacing it with a '*social rent equivalent*'. We can gauge how far removed this is from social rent proper from PRS planning application 16/AP/4458. This proposes rents of £160, £175 and £190 for 1, 2 and 3 bed flats respectively. The target (social) rents rent given in Southwark's Affordable Housing Rent Study July 2015 are £97, £111 and £124. Social rent equivalents would also only have 3-year tenancies.

The proportion of social rent equivalent required is only 12%, less than half the 25% social rent required under DM1.1. The remaining 23% affordable rent will be affordable rent. DM1 had previously stated that '*We will not accept affordable rent as it fails to meet the affordable housing needs of Southwark's residents in need of affordable housing (see Southwark Affordable Rent Study 2015)*'. Unless the evidence provided by the Southwark's several affordable rent studies has changed, there is no justification for now allowing affordable rent as a tenure that meets Southwark's housing need.

This applies equally to '*Affordable rent capped at London Living Rent equivalent*'. By its description it is not London Living Rent, which in any event is affordable rent, being defined as a fraction of market rent, unlike social rent. In practical terms it is also a rent that is much higher than social rent: the aforementioned Elephant PRS application proposes rents of £205 (£252), £227, £250 for 1, 2, 3 bed flats respectively as the London Living Rent equivalent. The remaining affordable rents, for those on incomes between £60,000 - £90,000, range from £349 to £539, rent levels that make a mockery of the term 'affordable'.

In sum, DM4.9 is incompatible with DM 1.1 and as such will undermine the benefit that DM1.1 is intended to deliver.

Proposed change – delete DM4.9

10 There is no definition or criteria for '*eligible households*', for '*affordable discount market rent at social rent equivalent*' in DM4.10. Nor is there any definition or criteria for '*eligible households*' for the new intermediate housing waiting list. Footnote 1 says that '*Eligibility criteria for Southwark's intermediate housing waiting list will be subject to separate consultation*'. These are unacceptable omissions, which cannot be justified by the small print of a footnote.

The PRS planning application for the Elephant and Castle shopping centre (16/AP/4458), makes no distinction between eligibility for DMC social rent equivalent and intermediate rent housing, but states that a '*key criteria*' for eligibility for its affordable housing offer is that households must be '*economically active*'. It goes on to state that '*the Council is in the process of collating an intermediate housing list comprising economically active households in need of a subsidised home*' (our emphasis – Affordable Housing Addendum).

If this is accurate then the Council clearly intends to include being an economically active household as a criterion for eligibility for affordable housing under DM4.10, either for social rent equivalent or intermediate rent, or both, but is not saying so.

If the planning application is not accurate, and Southwark has no such intention, the absence of any definition of eligibility will nonetheless leave the door open to the criterion, ie that only economically active households will be eligible to PRS affordable housing. 'Economically active' also lacks any definition.

Such eligibility criteria would be discriminatory, socially divisive and morally objectionable. It would exclude from affordable housing those who are most in need, perverting the whole meaning of social housing.

Proposed changes – that the both instances of the word 'eligible' are deleted from DM4.10, new wording to read 'Affordable discount market rent homes at social rent equivalent must be allocated to households on Southwark's social housing waiting list. All other discounted market rent homes must be allocated to households on Southwark's intermediate housing waiting list' (NB Eligibility in both instances will have been established by presence on the list).

Proposed action – that Southwark consult immediately on the eligibility of the intermediate waiting list as part of the consultation on the New Southwark Plan.

11 Please see comment to DM4.5

12 DM4.12 is prudent, but demonstrates that such instances of selling homes out of the PRS are anticipated, which strengthens the argument for covenants longer than 30 years. Please see comment to DM4.5.

Reasons

The final sentence of the 'Reasons' – '*Evidence shows that PRS schemes are as viable as conventionally funded schemes in Southwark over the lifetime of the investment. We will therefore not accept an affordable housing offer that provides a lower amount of affordable housing than our policy requirements under DM1'* – has been deleted. No evidence is offered to show that this situation has changed, so there is no reason for this deletion.

Proposed change – restore the sentence – 'Evidence shows that PRS schemes are as viable as conventionally funded schemes in Southwark over the lifetime of the investment. We will therefore not accept an affordable housing offer that provides a lower amount of affordable housing than our policy requirements under DM1'

We repeat our comment on the New Southwark Plan Preferred Option, made at a previous stage of consultation -

'We note that there is much that is new in this policy, reflecting the rise in the number and proportion of private rented accommodation in the borough. This has been accompanied by a decline in the number and proportion of social rented homes. We believe that the two trends are

connected and that the best rent option remains social rented and council housing, which provides greater housing security at much lower cost. We also note there will now be a large preponderance of private rented sector homes in the new developments at the Elephant and Castle (around 900 in the Tribeca Sq/Elephant Rd and London Park Hotel developments, against around 300 public sector/housing association homes, mostly affordable rent, mainly on Elephant Park). This will mean significant demographic change, the consequences of which have not been addressed in the various local plans.

We therefore believe the policy is inadequate as it stands and needs to go beyond simply acknowledging the upwards trend of private rent and supporting private institutional investment, albeit on conditions. ‘

We would add that the changes made since our last comment have not improved DM4, or DM1, but have made both worse. Southwark’s staunch rejection of affordable rent as a tenure that does not meet Southwark’s housing need (although a position not supported by its planning approvals) has been reversed to promote PRS housing. The PRS is also being allowed to deliver no true social rented housing, but a more expensive simulacrum, with the required amount halved. Two-thirds of the affordable housing offered by PRS will be intermediate, almost reversing the proportions required by DM1. It is also more expensive, less secure and is less certain to remain an affordable housing tenure in the longer term. PRS affordable housing will also be privately provided owned and managed - an innovation for affordable housing that has not been critically examined.

There is no evidential basis to justify the support the New Southwark Plan is giving PRS or the more favourable affordable housing terms allowed by DM4.9

Proposed action – that Southwark reconsiders its support for PRS and that it is only considered as a suitable tenure for policy support after proper consideration of, amongst other things, any net displacement effects of large PRS schemes, the impact on the local economy and infrastructure from the point of view of current residents, the impact on local rents and cost of housing and on the housing market in the longer term.

SP7 Social Regeneration

Whilst the social dimension is very important, some find the term social regeneration too close to social cleansing especially when it is imposed in a top down manner. The important claims to provide the best outcomes for existing residents and to support empowered local communities would be much more meaningful if this strategic policy was co-designed and co-produced with existing community groups

The list of community facilities needs to be extended to include:-

- Youth centres
- Community meeting space

- Facilities that are accessible and affordable, with accessibility not just in terms of distance and availability of transport

Under “This will be achieved through” the following need to be added:-

- The use of social impact assessments both as an instrument of planning policy and a requirement of major planning applications.
- Work with Universities on longitudinal studies to monitor and evaluate what is really happening as a result to existing residents and businesses as a result of the regeneration. These will be reported annually and look at change over the long term (a minimum of 10 years).
- Ensuring regeneration is not equivalent to gentrification nor based on the destruction of council estates or the displacement of small businesses.

The existing diversity of Southwark is highly valued, but too many are under-represented or completely excluded by the current development trajectory. All of the policies in this Plan require differentiation to recognise the specific needs of diverse groups and an approach to empowerment that build solidarities between groups.

Development Management policies need to be revised with targets and precise proposals to ensure each point in this Strategic Policy can be delivered.

The ‘Reasons’ section is inadequate and needs amplification.

DM23 Transition of preferred industrial locations to mixed use neighbourhoods

We support the deletion of DM23 Southwark needs its Preferred Industrial Locations (PILs) and not their replacement by “mixed use neighbourhoods”. For consistency this should be followed through in the Reasons section for DM24 .

DM26 Small Business Units

We support the additions that require the retention of small business units and a relocation strategy.

It is inconsistent that Guidance on the criteria to be addressed by the relocation strategy is only provided in the revisions to the Old Kent Road AAP (Appendix 1). This Guidance must also be included in the NSP as a Fact Box to DM 26.

Whilst the Guidance is welcomed, it can be improved by the following additions:

- The ethnicity of businesses and the social value this brings
- The importance of market traders who should also be protected
- The need for specialist advice and support

- The necessity of a relocation package that includes removal expenses and legal fees
- The importance of maintaining the existing site as an attractive trading environment
- Collaboration with existing traders associations and not limiting collaboration to Council forums.

The Reasons have added reference to “a diverse range of businesses”. This sentence should be made more explicit by adding “migrant and ethnic business clusters” as these have made an outstanding contribution to the “ongoing success”.

DM27 Town and Local Centres

We oppose the deletion of East Street as a local centre. East Street is much valued and the significant regeneration that is coming forward should not be based on the loss of its local identity.

We disagree with the elevation of ‘Old Kent Rd’ to a ‘Major Town Centre’ which implies the loss of its existing character as a ribbon development. It ignores the high street structure, missing out on the mix of retail with industrial and other workspaces that support a healthy local economy.

We support the addition of public drinking fountains and public seating alongside public toilets.

DM48 Car parking

We object to the new wording that places restrictions on businesses (the non-availability of on street permits) without any reference to the need for appropriate and accessible parking space for delivery vehicles.

DM70 Self and custom build

We oppose the restrictions placed on self build and custom build which undermine the potential of this policy to empower local communities. The barriers of providing evidence of financial resources and making efficient use of land and appropriate density (all undefined and unevidenced) should be deleted. The definition should be widened to include all community forms of housing. The register needs to be fully accessible to community builders, neighbourhood forums and other community interests. A package of support should be available to make this community form of housing deliverable.

DM 71 Small Shops

This new policy is welcomed, but the following changes are required to ensure that the policy addresses needs on the ground:

- Delete the 80 sq m maximum GIA for small shops so that retail units are provided that meet the needs of small and independent retailers.

- All Opportunity Areas should have a requirement to provide affordable retail space and not only Elephant and Castle
- Include improvements and measures to help strengthen the retail offer of small and independent businesses

End