

ITEM

LONDON BOROUGH OF BRENT

PLANNING COMMITTEE

26TH OCTOBER 2004

REPORT NO : 12/04 FROM THE DIRECTOR OF PLANNING

FOR INFORMATION / ACTION

NAME OF WARD: ALL

**MAYOR OF LONDON ; DRAFT SUPPLEMENTARY PLANNING GUIDANCE
AFFORDABLE HOUSING**

1.0 SUMMARY

1.1 This Report informs Members of the Mayor of London's Draft Supplementary Planning Guidance (SPG), intended to elaborate the interpretation and implementation of The London Plan's affordable housing policies, and considers the implications for the Borough's planning and housing strategies. The Report also provides the detailed responses submitted by officers, on behalf of the Council, and the West London Housing Strategy (Directors Group) to the Mayor's consultation which concluded on 8/10/04.

2.0 RECOMMENDATION

- 2.1** That your Committee considers the Mayor's proposals and their implications for the Borough.
- 2.2** That your Committee approves the Council's Response to the Mayor's consultation (attached as Appendix 1).
- 2.3** That your Committee indicates any further representations they may wish officers to submit to the Mayor of London.
- 2.4** That your Committee notes the response submitted by the West London Housing Strategy (Directors Group) on behalf of its member boroughs (attached as Appendix 2).

3.0 FINANCIAL IMPLICATIONS

3.1 There are no direct financial implications arising from this Report and there is unlikely to be any consequential significant additional staffing or other resources requirements as the recommended methodology and processes are already being pursued by the Planning and Housing Services.

4.0 STAFFING IMPLICATIONS

4.1 None specifically arising from this Report at this stage.

5.0 ENVIRONMENTAL IMPLICATIONS

5.1 The proposed Affordable Housing SPG should, on balance, generally promote and better enable more sustainable housing development in Brent.

6.0 LEGAL IMPLICATIONS

6.1 The Mayor of London has issued this Draft SPG to elaborate the affordable housing policies of The London Plan which was adopted in February 2004. The London Plan has been accorded statutory development plan status by the recently enacted Planning and Compulsory Purchase Act (2004). The Council is therefore statutorily required to give proper consideration to the relevant London Plan policies, as elaborated by guidance when determining planning application.

6.2 However, there is uncertainty as to whether it is still possible to provide SPG following the enactment of the Planning Act (2004) which has introduced the Supplementary Planning Document (SPD) as the new type of policy elaboration to replace SPG. This draft document may also not qualify as SPD under the new Planning Act regime but it is considered it would in any event have to be accorded consideration when determining planning applications.

7 0 Diversity Implications

7.1 The proposed SPG should, if the Council's concerns are addressed, better enable the provision of affordable housing to satisfy the needs of the Borough's priority housing needs, among which black and other ethnic minority communities are disproportionately over represented.

8.0 DETAIL

Introduction

8.1 This draft SPG was published by the Mayor of London on 9/7/04 for a three month consultation period. This timetable did not permit referral to Members before the consultation period ceased on 8/10/04 and hence officers submitted a detailed response (attached as Appendix 1) based on the Council's established Housing and Planning strategies in respect of the provision and delivery of affordable housing. This response also informed the West London Housing Group Director's submission (attached as Appendix 2) of which Brent is a member borough.

8.2 The draft SPG elaborates The London Plan, in particular Policies A3.6.7 & 8 which :

- Define affordable housing as comprising social housing, intermediate housing and in some cases, low- cost market housing;
- Set a strategic target that 50% of London's new housing should be affordable on an indicative 70% social housing and 30% intermediate provision (shared ownership and submarket rental etc);
- Require boroughs to seek the maximum reasonable amount of affordable housing consistent with scheme viability.

Issues To Be Welcomed :

- 8.3 As these policies are generally consistent with the Brent Adopted Unitary Development Plan (UDP, 2004) policies, as elaborated by the Brent Draft Affordable Housing Supplementary Planning Guidance (Brent SPG, 2003), a Mayoral Affordable Housing SPG should be welcomed in principle; not least because it potentially reinforces the Council's affordable housing policies and draft guidance.
- 8.4 Other important draft SPG issues and guidance which should be welcomed and supported include :
- Recognition that London needs an additional 23,300 affordable homes annually to meet both newly arising and backlog housing needs.
 - Local housing needs should inform affordable housing tenure, size and other household characteristics
 - All new housing should meet 'lifetime homes' standards and 10% should be wheelchair accessible.
 - Promotion of sustainable, mixed and balanced communities with the necessary social and physical infrastructure.
 - Low cost home ownership must satisfy specific affordability criteria.
 - Student housing should not be considered to be social housing.
 - Service charges are an important affordability criteria.

Issues Of Concern :

- 8.5 Notwithstanding these positive aspects, the draft SPG gives rise to a number of serious concerns. Most of which stem from the overriding view that this draft SPG is too over detailed and prescriptive for guidance intended to elaborate a strategic plan. Many of these issues are best left to the informed discretion of the local planning authority. Indeed, in some cases, the draft SPG could potentially impede the Council in securing the type of affordable housing that best meets its priority housing needs as indicated in the Brent Housing Needs Study (2004).
- 8.6 For example, the draft SPG emphasises the importance of ensuring that intermediate housing provision is "affordable to households with annual incomes of £27,500 (i.e. the midpoint of the £15,000 - £40,000 range)" based on the London average income of £25,500. Whereas, the Brent UDP has defined intermediate housing provision as being affordable to residents with a household income of £12,000 - £25,000 (at 2001 levels), based on the Borough average and median household incomes of £21,552 and £16,063 respectively.
- 8.7 As local incomes and market housing costs and consequential affordable housing needs vary so much across London, such issues are best left to the local planning authority's assessments, derived from detailed empirical evidence such as the Brent Housing Needs Study, in accordance with Government planning guidance (Planning Policy Guidance Note 3 and Circular 6/98).
- 8.8 The extent to which the draft SPG emphasises that "the availability of social housing grant will generally be a critical factor in determining the viability of a scheme" is also of potential concern as it infers that very scarce land can be developed without

affordable housing simply because of a temporary public sector funding shortfall, or that a higher than warranted level of intermediate housing can be provided rather than the much more needed social rental accommodation. In such circumstances, development phased to public funding availability or alternatively developer provided 'bridging funding' should be considered .

8.9 Other issues of concern include :

- Assumption that areas with more than 26% social rental occupancy (London average) require predominantly non-family 'key worker' intermediate, rather than social rental family affordable housing
- Inference that social rental provision need not be permanently available accommodation
- Omission of any reference to the potential contribution that work-live developments can make to affordable housing.
- Assumption that 50% of new housing should be 'market provision' as this is not in accordance with housing need evidence.
- Inference that areas with limited school places are unsuitable for family housing, whereas, developer funded, school expansion may be feasible.
- Assumption that higher density development is incompatible with an element of family housing as acute housing needs do not permit such 'zoning'.

9.0 Conclusion

- 9.1 The proposed Mayoral Affordable Housing SPG is to be generally welcomed and supported provided proper consideration is given to both the Council's and the West London Alliance's concerns as detailed in their respective submissions to the draft SPG consultation.

10.0 BACKGROUND INFORMATION

Details of Documents:

- 10.1 Draft London Affordable Housing Supplementary Planning Guidance.
- 10.2 Any person wishing to inspect the above papers should contact Michael Maguire, The Planning Service, Brent House, 349 High Road, Wembley, Middlesex HA9 6BZ, Tel: 0208 937 5310

Chris Walker
Director of Planning

APPENDIX 1 Council Response

THE PLANNING SERVICE

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8 October 2004

Mr Duncan Bowie
Principal Strategic Planner (Housing)
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Dear Duncan

Re: Draft Supplementary Planning Guidance Affordable Housing

Thank you for the opportunity of commenting on this Draft Supplementary Planning Guidance (SPG)

The Council generally welcomes and supports this Draft SPG. However, the Council is concerned about elements which represent either over detailing, which is inappropriate in an SPG intended to elaborate a strategic plan, or are better left to the informed discretion of the local planning authority.

I have detailed these concerns and commented on other issues in the attached document.

I have also raised the omission of any reference to work-live units. You may recall that, when I raised this concern at a recent Affordable Housing Officers Working Group, you helpfully indicated that it may be possible to address this issue in the final SPG.

Please note that these comments, of necessity, represent only officers views as the consultation timetable has not yet permitted referral to Members. I will be submitting a report on the Draft SPG to the Planning Committee on 26/10/04 and will inform you of any further representations from Members.

Finally, the Council has been a party to the drafting of the representation from the West London Alliance and therefore wishes to support their submission.

Yours,

Michael Maguire
Assistant Planning Policy and Research Team Manager

LB Brent Comments: Draft London Supplementary Planning Guidance **Affordable Housing:**

1. Purpose of Draft SPG

1.1 It is regrettable that the proposed Draft Housing Provision SPG was not published for consultation purposes, as inferred from para 1.4, before the consultation on the Draft Affordable Housing SPG has concluded. The Council considers that any subsequent relevant comments on the Draft Housing Provision SPG should be properly considered before the final publication of the Affordable Housing SPG (also see 4.2 below).

2. National and Regional Policy Context

2.1 The Council considers that the legal status of this Draft SPG and the proposed Housing Provision SPG should be defined in the context of the major changes to the planning system consequent to the enactment of the Planning and Compulsory Purchase Act (2004). For example, is it still possible to produce SPG rather than a Supplementary Planning Document (SPD) ?.

2.2 The Council welcomes the recognition that London needs a minimum of 23,300 additional affordable homes a year.

3. Definition of Affordable Housing

3.1 Social Housing; the omission of any reference to the 'perpetuity' of social housing accommodation (subject to any 'right to buy' caveats etc) requires reconsideration as it would appear to be at variance with the subsequent emphasis on "ensuring affordable housing in perpetuity" (page 7).

3.2 The extent to which "privately rented housing could be considered as social housing" (para 3.2) needs to be elaborated and clarified.

3.3 Intermediate Housing; the identification of specific 'qualifying incomes levels' represents a level of inappropriate over detail as this is an issue for the boroughs to determine in the context of their own specific relationships between their residents incomes and local housing market prices, which vary significantly across London.

3.4 The Adopted Brent UDP (2204) has defined intermediate housing as being affordable to Borough households with earnings of £12,000 - 25,000 (at 2001 levels) which is predicated on Brent average and median household incomes of £21,552 and £16,063 respectively; substantially lower than the London average of £25,500; "the mid point of the £15,000 – 40,000 range " (para 3.7).

3.5 Furthermore, the inclusion of London wide income indicators would seem to be at variance with the recognition that boroughs should set local 'key worker' qualifying income levels.(para 3.11).

3.6 Student Housing, the development of student housing should not incur a potential affordable housing obligation only when it is provided by or on behalf of a named

educational institution which is providing accommodation at substantially below market rental levels.

- 3.7 Key Worker Provision: the Council notes that its Housing Needs Survey indicates that only 31% of Brent's key worker households can potentially afford intermediate housing and most of these can only do so at the lower end of the cost spectrum.
- 3.8 Furthermore, as 38% of the estimated Brent annual affordable key worker housing requirement is for three or more bedrooms, it must be emphasised that key worker housing cannot be synonymous with small dwellings.
- 3.9 Service Charges While the Council appreciates the importance of ensuring that service charges are 'affordable', in practice it has encountered problems stemming from developers arguments that they either cannot afford to subsidise service charges, and /or that to do so would 'unlawfully' discriminate between private and affordable housing residents in the same scheme.

4. Housing Need Assessment

- 4.1 The Council notes that it has recently undertaken the Brent Housing Needs Study, in accordance with the criteria identified in para 4.3, which has informed Brent's Draft Affordable Housing SPG. .
- 4.2 The Council notes the references to the GLA Housing Requirements Study (Interim Report) which it understands will inform the proposed Draft Housing Provision SPG and would reiterate its request that any subsequent comments on the proposed SPG should inform the final Affordable Housing SPG.

5. Housing Choice and Mix

- 5.1 The Council notes that in addition to its recent Housing Needs Study, which specifically considered the particular housing needs and requirements of the Borough's diverse ethnic and cultural minority communities and people with disabilities, it is drafting an Older Persons Housing Strategy.

6. Framework For Setting Affordable Housing Targets

- 6.1 There appears to be a conceptual lack of clarity as to the definition and composition of affordable housing and a complementary inconsistency of terminological usage as evidenced in paras 6.8 & 6.12 (ie):

“existing provision of affordable housing as a proportion of total stock is significantly below the London-wide average of 26% (para 6.8) &

“relative to the London-wide average of 26% social housing” (para 6.12) and a similar reference in para 7.8

- 6.2 The Council notes, in this context, that 24% of Brent households have social rented tenancies (Census, 2001).

7. Negotiating The Provision Of Affordable Housing In Individual Private Residential Or Mixed Use Schemes

- 7.1 Mix of social rent and intermediate provision. The draft guidance that “sites in areas with significantly above the London average proportion of existing social rented provision (26% as at 2003) would generally be appropriate for higher than norm proportions of intermediate housing” (para 7.8) fails to appreciate that such areas may also afford the greatest potential new housing development opportunities and hence the best potential opportunities for providing the type of social rental accommodation, particularly large family units, that represents the Borough’s highest housing priority need.
- 7.2 The statement that “sites with limited access to existing or planned schools will generally not be appropriate for significant proportions of family sized housing” (paras 7.8) ignores the potential scope for developers S106 funding contributions to ameliorate the under provision of educational facilities. And hence should not rationalise non-family housing provision.
- 7.3 Assessment of economic viability of development & Combining S106 contributions and social housing grant. The overriding emphasis on the availability of public subsidy and social housing grant (paras 7.10, 7.11 and 7.14) strongly infers that private sector housing schemes could be permitted without appropriate social rental housing or a disproportionately higher level of intermediate housing where there is a shortage of public subsidy.
- 7.4 This effective failure to properly assess short term funding shortages against long term housing strategy objectives to properly develop very finite sites should be reconsidered .
- 7.5 Consideration should also be given to advising on ameliorative measures such as phasing the development of larger housing schemes to better reconcile public funding programmes, or requiring the private developer to provide ‘bridging funding’ to enable affordable housing development without immediately available public subsidy. The Council notes, in this context, the reference to ‘phased development’ in the Annex (GLA/Housing Corporation Joint Statement, para 13).
- 7.6 As the London Plan does not explicitly provide a “strategic target of 50% market provision” (para 7.13), this statement should therefore be deleted.
- 7.7 Schemes not dependent on contributions from development value It is misleading to state that development being undertaken by a housing association “will normally be limited to the provision of affordable housing” (para 7.16) as the Borough has recent experience of housing associations seeking to develop essentially market housing led schemes which do not meet its priority housing needs.

8. Partnership Approach And Sub-Regional Frameworks

- 8.1 The Council is concerned by the passive tone of the reference “Sub-Regional Development Frameworks, to be drafted by the GLA *in consultation* with the boroughs “ (8.1’) as this is contrary to the Council’s understanding that the proposed West London Sub-Regional Development Framework is being drafted with the ‘active participation’ of LB Brent and the other West London boroughs.

9. Loss Of Affordable Housing And Estate Regeneration

9.1 The Council notes that the experience of Brent's extensive Estates Regeneration Strategy programme of estate redevelopment and refurbishment has shown that it is not always possible to reprovide "100% replacement of demolished social rental units" (para 9.2), either within the former estate or the wider locality as this would not enable an acceptable residential environment.

10. Loss Of Hostels, Staff Accommodation And Shared Housing

10.1 The Council notes that this guidance, on avoiding loss of affordable housing, reflects its Adopted UDP Policy H6.

11. Other Issues ; Work-Live Units

11.1 The Council is concerned that the Draft Guidance contains no reference to the potential affordable housing contribution that work-live units can make as required by the Brent Adopted UDP (2004), as elaborated in the Brent Draft Affordable Housing SPG.

11.2 The Council considers, as work live units were specifically recognised as an element of the London Housing Capacity Study (GLA,2000), which informed the London Plan's net housing provision target and 50% affordable housing objective, that the SPG, intended to elaborate the London Plan, should make reference to work-live units.

Date: 8/10/04

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Dear Duncan Bowie

GLA Affordable Housing SPG – West London Response

This submission is being made on behalf of the 7 Councils making up the West London Housing Corporation Sub Region. The Sub Regional response draws on the views expressed by both Inner and Outer London Councils in respect to the SPG and reflects the commitment of all councils to meet sub regional and local housing needs as effectively as possible using the resources available and taking into account local conditions. Please note that it has not been possible given time available for each Council to seek Member approval for this submission therefore the comments made below must be taken to represent officer views only.

Firstly we would like to note that it is regrettable that the proposed Draft Housing Provision SPG was not published for consultation purposes, as inferred from para 1.4, before the consultation on the Draft Affordable Housing SPG has concluded. We consider that any subsequent relevant comments on the Draft Housing Provision SPG made by the Sub Region should be properly considered before the final publication of the Affordable Housing SPG.

Overall we welcome the scope of the guidance and the clarification provided in key areas including; defining affordable housing, the need for delivery of affordable housing to be based on sound local housing needs information that identifies needs not only by size and tenure mix but by household characteristics, target setting and negotiation. We also look forward to the opportunity to work closely with the GLA in developing the West London Sub Regional Development Framework that we believe will allow a greater level of clarification of West London Housing requirements and will set out clearly how we intend to meet the housing needs of our residents.

We hope that the guidance will become tighter and more focused as it is developed to ensure that the key messages from the guidance are a unambiguous elaboration where necessary of the London Plan. We also hope that this streamlining will remove

some of the overdetailing that would be better left to the informed discretion of the local planning authorities of each council.

All boroughs recognise the challenges facing the capital and West London in meeting both current and future housing needs. We welcome the target of building 30,000 homes per annum as a response to this however we do have concerns that the figure has not been qualified as delivery both at sub regional and local authority level is contingent on the capacity to build (we are still awaiting the outcome of the new Capacity Study) and not least for West London boroughs subsidy being available to achieve the affordability criteria identified in the London Plan particularly where the “mix” to meet “need” could make this particularly challenging (e.g. the cost of building family size intermediate housing that would meet the affordability criteria).

In respect to income bandings we welcome the attempt to define affordability by income to the proportion of the same spent on rent and service charges. However, we do have concerns that the income bandings may be inappropriate in some circumstances given that resident incomes and local housing prices vary significantly across London. It also needs to be made very clear in the guidance at Section 3 that it will be for Councils to set requirements in terms of the spectrum of affordable housing required in terms of affordability and priority (see 5.1). It would be unfortunate if the SPG were used to undermine a robust defence of locally set priorities and income bandings.

All Councils in the sub region are committed to maximising opportunities to meet local and sub regional housing needs within the context of local conditions. We are concerned that the Affordable Housing requirements set out in the SPG may be too prescriptive and may undermine either a councils need to achieve higher levels of affordable housing to meet local needs (e.g. on smaller sites) or a councils need to redress “imbalances” reflected in tenure mix (e.g. build more intermediate or sub market housing in areas with high levels of social rented housing).

The SPG is helpful in providing a steer in relation to identifying areas of flexibility and innovation. All Councils are agreed that the SPG should be as flexible as possible in this respect and should recognise that boroughs may pursue affordable housing for example on any development in their borough even on smaller sites where this is appropriate (see para 7.2).

Although the SPG is clear in relation to meeting affordable housing needs we would not want the provision of affordable housing to meet local housing needs, especially the need for social family housing, undermined by examples or references to alternatives that favour intermediate housing with less onerous “in perpetuity” obligations or possibly implies that market housing might be built where public subsidy is not available (7.10, 7.11 and 7.14). In respect to the latter the guidance could seek to identify ameliorative measures such as phasing the development of larger housing schemes to better reconcile a lack of public funding programmes or requiring the private developer to provide ‘bridging funding’ to enable affordable housing development without immediately available public subsidy.

All boroughs are committed to the promotion of mixed and balanced communities and we welcome reference made to this in the SPG. However, the implication is that sustainable communities are created by tenure diversity alone and this is misleading. While this may be a factor there are so many other factors that deliver sustainable communities that to point to tenure mix as a “solution” is inappropriate.

We support the need for adequate provision of community facilities for all housing developments and in particular where family housing is to be provided. Regard should be given to the capacity of existing community facilities and, where capacity is limited provision should be sought as part of a development. However, we do not believe that an Affordable Housing SPG is the right document to provide guidance on any other sort of contribution from private development other than affordable housing. We hope the forthcoming GLA Housing SPG will be expand on provision and/or contribution towards community facilities.

Finally we support the retention of hostels, HMOs and other forms of shared accommodation which can provide a valuable source of low-cost housing in the private rented sector and would note that particularly in relation to hostels this provision is best planned for at a sub regional level.

Set out below are the specific references that support our response above.

If you have any questions relating to this submission or require any further information could you please contact Chris Jones, the Acting Principal Housing Officer for Strategy and Performance at the London Borough of Hammersmith & Fulham.

Yours sincerely,

Fiona Fletcher-Smith,
Assistant Director (Strategy and Regeneration Division, LBH&F),
Chair of West London Strategy Sub Group.
On behalf of the West London Partnership of authorities making up the West London Housing Corporation Sub Region.

Specific Points

SPG Reference	Response
<p>The London-wide housing stock average of 26% affordable housing is referred to as a benchmark to be considered in setting out affordable housing targets and negotiating the proportion of social/intermediate housing within development proposals.</p>	<p>Object to the 26% benchmark. The SPG suggests that the 26% average provides for a mixed and balanced community and is an ideal that should be attained. This is not the case and relying on “tenure” to promote “mixed and balanced” communities is limited. Each sub region and council must reach a consensus as to the balances that need to be made to promote mixed and sustainable communities and meet housing needs.</p>
<p>Affordable housing targets higher than 50% are justified where:</p> <ul style="list-style-type: none"> • a lower target would be insufficient to meet affordable housing needs, • there is no prospect of accessing significant provision in neighbouring boroughs and • existing provision of affordable housing as a proportion of total stock is significantly below the London-wide average of 26%. 	<p>We welcome the flexibilities presented by the SPG in relation to individual councils being able to define housing needs and also set targets that reflect local housing needs. However we are concerned that this flexibility is restricted by the criteria set out here and in the guidance. Effectively they should be either/or criteria not a borough meeting each one. Additionally, we are concerned that the ability of a Sub region or Council to meet the target may be limited by available subsidy or circumstances how will this factor be taken into account in the SPG, or will the LHS guarantee subsidy in order that councils and sub regions can meet the targets?</p>
<p>Affordable housing is defined in terms of the relationship between income levels and housing costs including service charges. For social housing this is 30% of income with a maximum income of £15,000 and for intermediate housing this is 40% of income for an income range of £15,000-£40,000.</p>	<p>Generally support income capping however weakness apparent in that 30% and 40% figures have not been justified. The GLA needs to investigate more robust income/affordability bandings similar to those presented in Housing Needs Surveys and potentially “sub regional” sensitive. Indeed we are concerned that the current income bandings do not relate to “affordable” social rents with some existing social rents & housing costs breaking the thresholds set.</p>
<p>Affordable housing should be provided in perpetuity but in some cases, particularly above retail premises, shorter fixed periods of a minimum 15 years may be allowed.</p>	<p>We are concerned that use of such examples may undermine local authorities in their local negotiations</p>
<p>Exploring use of the private rented housing is something that the West London boroughs are committed to doing and we welcome the reference to such initiatives in the SPG (see 3.2).</p>	<p>We are unclear what initiatives would meet the criteria set. Examples of current schemes operating that met the criteria set out in paragraphs 3.1 – 3.3 would be helpful.</p>
<p>There is an assumption in the SPG that for instance the “need for intermediate” housing relates to the needs of key workers and that “intermediate” housing supply often relates to the</p>	<p>To assume that “intermediate housing” meets key worker housing needs is not correct. The H&F and Brent Housing Need Surveys in fact identified that only around 30% of key worker households in housing need could afford some form</p>

SPG Reference	Response
development of smaller units	of intermediate housing and then only at the lower end of that cost spectrum. Additionally, intermediate housing needs are often for family accommodation. Perpetuating the link between smaller unit sizes and intermediate housing needs detracts from the housing needs of family households who can afford intermediate housing and by implication may not pick up on employment issues of retention.
Paragraph 3.14	Some Councils in the Sub Region feel that stating the “15 year minimum” period may undermine negotiations for in particular more in perpetuity arrangements councils may undertake. Could “in perpetuity” be stated with other arrangements being “the exception”?
Paragraph 3.15	All councils should be encouraged to pursue control of intermediate rents although we acknowledge that this may be difficult in some circumstances.
4.3 Have regard to data on sub regional and regional needs	We support the need to consider the sub-regional context but are concerned that it will be difficult to obtain necessary data to form a robust sub-regional picture. We understand that it is very unlikely that the GLA housing requirements study will be able to provide the necessary data alone.
5. Choice and Mix	We welcome the general approach presented in this section.
Paragraph 7.2	The statement that “sites with limited access to existing or planned schools will generally not be appropriate for significant proportions of family sized housing” (paras 7.8) ignores the potential scope for developers S106 funding contributions to ameliorate the under provision of educational facilities. And hence should not rationalise non-family housing provision.
Paragraph 7.8, third bullet point	We support the need for adequate provision of community facilities for all housing developments and in particular where family housing is to be provided. Regard should therefore be given to the capacity of existing community facilities and, where capacity is limited provision should be sought as part of a development. The wording of the paragraph should be strengthened to reflect this. The current wording of the paragraph suggests that developers can provide non-family accommodation where there are limited or no community facilities regardless of identified local needs.
Paragraph 7.10	<p>We could support the theory that development that would make supernormal profit from a scheme (over and above the standard developer profit) should subsidise/cross-subsidise the provision of affordable housing provided it was clearly shown that the level and nature of the affordable housing would conform with policy and meets the range of housing need. However, our view is that the scope for affordable housing by cross-subsidy will be limited in some boroughs, and Housing Corporation funding is necessary for continued affordable housing provision. Market cross subsidisation without public subsidy would produce lower proportions of affordable housing potentially undermining London Plan and local authority objectives.</p> <p>There is a great danger that reliance on cross subsidy would</p>

SPG Reference	Response
	<p>also lead to “affordable housing” consisting of large proportions of sub market discounted rent/sale housing that is not actually “affordable”. Furthermore, cross-subsidisation of schemes without public subsidy is likely to increase residential densities to enable a viable critical mass to be achieved. While higher residential densities may be acceptable in certain locations, there will be circumstances where higher densities wouldn’t be acceptable, for example inadequate access to local services and public transport and poor residential amenity, and the level of affordable housing provision would therefore be affected.</p>
Paragraph 7.12	<p>Further clarity on the validity of the Toolkit as compared to other financial appraisals would be helpful, especially since the Toolkit is based on TCI’s that are now being given less prominence by the Housing Corporation in assessing value for money.</p>
Paragraph 7.13	<p>The London Plan contains the strategic target for London of affordable housing and this is 50% of all new housing. Therefore, while by implication this could suggest that there is a market housing target of 50%, the London Plan does not explicitly set this out and the draft SPG should therefore not refer to a target for market housing. Councils and sub regions might for instance seek to develop “sub market” housing that does not meet the GLAs criteria but meets some intermediate housing needs</p>
General	<p>We would like reference made to work-live units. This was raised by London Borough of Brent at a recent Affordable Housing Officers Working Group and it was indicated that it may be possible to address this issue in the final SPG.</p>