

Public Examination of Lewisham Core Strategy Development Plan Document

London Borough of Lewisham Statement on Matter 2 Housing

Question: Whether the plan makes sound provision for housing in relation to:

- (a) The assumptions about the rate of delivery**
- (b) Providing a five year supply of land**
- (c) Affordable housing**
- (d) Sites for Gypsy and Travellers**

(a) Whether the plan makes sound provision for housing in relation to:

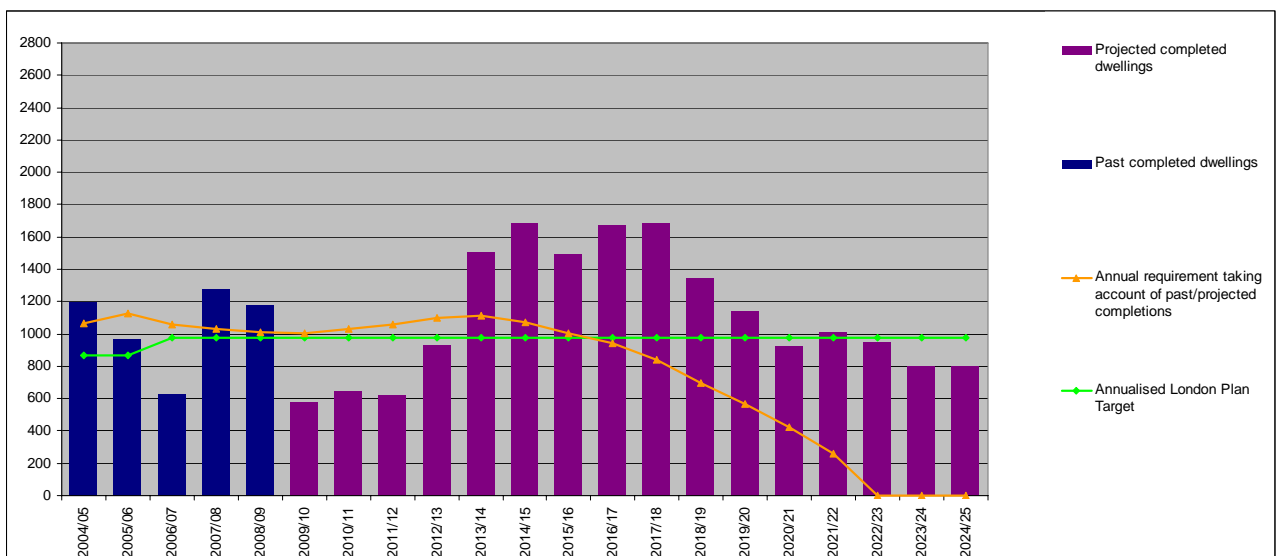
- **The assumptions about the rate of delivery**

- 2.1 The plan makes sound provision for housing in relation to the assumptions about the rate of delivery. In line with PPS3 (**CSD5.3**, paragraph 55) a housing trajectory identifies supply from specific sites for a 15 year period from 2010/11 to 2025/26. The Core Strategy (**CSD1.1**) projects the provision of 18,165 additional new dwellings over the plan period as follows:
- 6,250 dwellings in the first five years (2011/12 to 2015/16)
 - 7,380 dwellings in years 6-10 (2016/17 to 2020/21) and
 - 4,535 dwellings in years 11 to 15 (2021/22 to 2025/26).
- 2.2 The methodology for preparing the housing trajectory is set out in the Annual Monitoring Report (AMR) (**CSD2.8, CSD2.8a**) and was prepared in accordance with the Good Practice Guide to Local Development Framework Monitoring 2005 (**CSD5.33**). The housing trajectory is included in Section 9.6 of the Core Strategy (**CSD1.1**) and is shown below in figure 1. The housing trajectory is based on evidence from the council's Housing Implementation Strategy (**CSD 3.4**), the processes involved in preparing the AMR (**CSD2.8, CSD2.8a**), and The Strategic Housing Land Availability Assessment and Housing Capacity Study (SHLAA) (**CSD4.32a**).
- 2.3 The rate of housing delivery was determined by undertaking the following tasks:
- identifying those sites already under construction that are expected to be implemented within the plan period (through the London Development Database (LDD) pipeline data)
 - assessing the likely level of housing that could be provided if unimplemented planning permissions are implemented within the plan period (again through the LDD pipeline data) and
 - identifying those sites allocated through the Unitary Development Plan (UDP) (**CSD2.1**) and the emerging Core Strategy, Site Allocations Development Plan

Documents (DPDs) and Area Action Plans (AAPs) that are expected to come forward in the plan year period.¹

- 2.4 A windfall allowance has not been included (although it may be justified in a London context) in that if the sites identified within the Site Allocations DPD and the emerging AAPs for the Lewisham and Catford town centres progressed as planned, the housing target will be achieved.
- 2.5 The phasing of large identified sites is informed through contact with developers. For sites where a planning permission does not or has not existed, site capacity was generated as part of the SHLAA process using factors such as the current London Plan densities, public transport accessibility levels (PTALs), site constraints, surrounding residential densities and advice from the Council’s Development Control section.
- 2.6 The housing trajectory will be updated on an annual basis through the AMR and will be used as a measure of the numbers of completions needed to achieve housing delivery targets at any point in time.

Figure 1: Lewisham’s housing trajectory



- 2.7 The housing trajectory shows that over the next 5 to 10 year period it is forecast that the borough will be able to meet and exceed its housing delivery targets. Both past performance and projected total supply of additional dwellings are ahead of target. The Council expects housing delivery to be below target for the next two years although it is expected that a strong supply of new housing will come on stream from 2012-13 onwards. The key reasons for the temporary drop and subsequent rise in delivery are:
 - The recession has slowed the number of planning applications that have been lodged and therefore permissions granted for housing in the last financial year.

¹ These sites were also identified through The London Strategic Housing Land Availability Assessment and Housing Capacity Study prepared by the GLA in consultation with the London boroughs

- Through the LDF Core Strategy, Site Allocations, and AAP DPDs, the Council will provide an up-to-date supply of development sites for housing.² This will reflect a number of larger schemes, which are currently in the pre-application phase and expected to come forward within the next three to seven years.
- Estate renewal and development by Registered Social Landlords (RSLs) will continue with large schemes currently being built or planned for the Heathside and Lethbridge, Silwood, Kender and Excalibur estates.
- The approval of a number of schemes pre 2007-08 which are expected to be completed.

2.8 The housing trajectory has been prepared on the basis of the best available information. It must be recognised the majority of the development sites identified rely on the private sector (e.g. land owners/developers) for implementation and it is not a guarantee that the housing shown will actually come forward at the time indicated. There will also be changing economic and market conditions over the trajectory period. The Core Strategy (**CSD1.1**, Section 9) and the Lewisham Housing Implementation Strategy (**CSD3.4**, Section 3) provides commentary on how the Council will deal with risks and the mechanisms available to manage housing delivery.

2.9 The Core Strategy (**CSD1.1**) supports monitoring and management of housing delivery consistent with PPS3 (**CSD5.3**, paragraph 64). The Housing Implementation Strategy (**CSD3.4**, Section 2.3) shows that due to the range and number of sites planned for development it is considered that there is resilience in the delivery strategy, in that delays on one site may be mitigated against by the progression of another.

(b) Whether the plan makes sound provision for housing in relation to:

- **Providing a five year supply of land?**

2.10 The plan makes sound provision for housing in relation to providing a five year supply of land. This is in line with the approach in PPS3 (**CSD5.3**) and follows government guidance from Communities and Local Government (CLG) who advised planning authorities on how best to carry out a five year housing land supply assessment (**CSD5.34**). This reflects the methodology detailed in paragraph 2A.3 of this statement. Sites for inclusion in the five year supply are therefore:

- available – the site is available now (no legal or ownership problems)
- suitable – the site offers a suitable location for development now and would contribute to the creation of sustainable, mixed communities and
- achievable – there is a reasonable prospect that housing will be delivered on the site within five years.

2.11 A five year supply is therefore demonstrated by calculating the number of units under construction, together with unimplemented permissions, and pending permissions subject to signing a Section 106 Agreement. The housing trajectory refines this approach and cross references this information with large known sites to make

² The DPDs are scheduled for approval from 2011 onwards

assumptions as to the years the units will come forward. For large sites this information is sought from the developers to ensure assumptions are as accurate as possible.

- 2.12 Lewisham's five year supply (2010/11 to 2015/16) of land is reviewed annually as part of its AMR. The most recent being for 2009/10 (**CSD2.8A**). This shows the five year supply of land amounts to 8,427 dwellings or an average of 1,648 dwellings per annum for conventional supply. This is against a London Plan (**CSD4.1**) five year target of 4,875 dwellings or 975 dwellings per annum (and exceeds the target of 859 dwellings when only counting conventional supply) and a Draft Replacement London Plan (**CSD4.2**, Policy 3.3, Table 3.1) five year target of 5,500 or 1,100 dwellings per annum. The five year supply includes 57 sites of which 22 are under construction accounting for 2,242 dwellings. Sites providing less than 10 dwellings already under construction represent 185 dwellings.
- 2.13 The five year housing land supply is a 'snapshot' in time and as such it changes over time. It has been based on a thorough and comprehensive assessment of up to date information. Many of the sites assessed had planning permission which indicates suitability, at least for the duration of a planning permission. Assessing availability and achievability was primarily determined through discussions with the developer and/or owner or Council staff.
- 2.14 The supply for the remaining years is made up of large known sites identified in the SHLAA (**CSD4.32a**), the Housing Implementation Strategy (**CSD3.4**) and the work done to date as part of the emerging Site Allocations DPD (**CSD2.31**). The projected supply illustrated in the housing trajectory does not include non conventional supply such as vacant properties returning to use although non conventional supply is included in the London Plan target.

(c) Whether the plan makes sound provision for housing in relation to:

- **Affordable housing**

- 2.15 The plan makes sound provision for affordable housing. The level of affordable housing required by Core Strategy Policy 1 (CSP1) (**CSD1.1**, Section 7) will be applied sensitively, taking full account of individual site circumstances, including financial viability. This responds to the evidence base which demonstrates a need for a high level of affordable housing throughout the borough.
- 2.16 The Lewisham Housing Market Assessment (LHMA) (**CSD3.2**) and the South East London Boroughs' Strategic Housing Market Assessment (SHMA) (**CSD3.3**) (Sections 6 and 7 respectively) identify overwhelming housing need and an acute problem of affordable housing. This need has been reflected through Core Strategy Strategic Objective 3 (local housing need) (**CSD1.1**, Section 5) and Policy CSP1 and responds to the vision, shared priorities and key outcomes outlined in the Sustainable Community Strategy (SCS) (**CSD3.1**).

- 2.17 CSP1 seeks a maximum provision of affordable housing with a strategic target of 50% from all sources. This will be sought on sites capable of providing 10 or more dwellings and provision is subject to a financial viability assessment. The LHMA (**CSD3.2**) noted that even delivery of 100% affordable housing would not fully meet identified need and therefore the policy seeks to deliver the maximum possible affordable housing. The policy is supported by a requirement for a financial viability assessment of a scheme if the target cannot be met (CSP1(3)). This provides flexibility to justify the target.
- 2.18 CSP1 has been prepared in accordance with PPS3 (**CSD 5.3**, paragraph 29) and the viability of the affordable housing requirements have been tested through an Affordable Housing Viability Assessment (AHVA) (**CSD3.5**) prepared for the Council by BNP Paribas. The AHVA tested the ability of a range of sites throughout the borough to provide 50% affordable housing, with and without grant and with various tenure mixes. It also assumed building to Lifetime Homes Standards and Level 4 of the Code for Sustainable Homes (in accordance with the London Plan and Core Strategy Policy 8), and providing an affordable housing tenure split of 70% social rent and 30% intermediate housing. The results demonstrate that the delivery of 50% affordable housing, in combination with other planning obligations, is possible on some sites within the borough. The analysis also indicates that some sites can provide more than the current 35% affordable housing target (as outlined in the Lewisham Unitary Development Plan), therefore the case to retain 35% as the borough-wide strategic target is considered weak.
- 2.19 The proposed affordable housing tenure split (70% social rented and 30% intermediate housing) is justified by Lewisham's local circumstances. Although the LHMA (**CSD3.2**) analysis shows a tenure split of 85% social rented and 15% intermediate housing is preferable, tenure mix policies must take account of development viability and the need to provide housing options for all households. The Council sees a 70:30 split as being both deliverable and contributing towards mixed and balanced communities.
- 2.20 The GLA representation (**CSD1.9**) did not identify affordable housing as an outstanding matter in response to subsequent consultation. The GLA also confirmed that the proposed housing tenure split does not give rise to general conformity issues with the London Plan (**CSD4.1**). Whilst the Draft Replacement London Plan (**CSD4.2**) has an affordable housing tenure split of 60% social rented and 40% intermediate, there is no impact of CSP1 on the spatial elements of the London Plan and the test for general conformity allows for policies specific to local circumstances. Social housing is an issue of particular local importance, as demonstrated by the evidence base. Furthermore, the housing tenure split is broadly similar to that of the London Plan and the difference in Lewisham will not prevent delivery of the London Plan tenure split target, given that other boroughs have or are likely to adopt and implement a range of tenure splits. CSP1 provides for the variation of affordable housing tenure where a development is located within an area with high concentrations of social rent. This is reasonable and appropriate as it is consistent

with national and regional policy and is founded on a well established evidence base at national, regional and local levels.

- 2.21 Representations (**CSD1.9**) expressed both support and objection to the affordable housing requirements. The objections were mainly from developers, who stated that affordable housing should be dealt with on a site-by-site basis and that requirements should be set lower. A policy is required as a basis to assess applications, for consistency, transparency and implementation of the plan. CSP1 allows sufficient flexibility for site specific assessments to occur. The level of the requirement is necessary, given the significant need for affordable housing, and a lower target would not be an appropriate response to the evidence base (paragraph 2C.4).
- 2.22 The Council has recommended amendments to CSP1 (**CSD1.5**) in response to the representations (**CSD1.9**). This focused around the preferred mix for affordable housing. The amended policy prioritises the provision of family dwellings (3+ bedrooms) and supports the evidence base in order to address the impact of demographic and household formation change, and the needs of larger families.
- 2.23 The proposed 50% target and the tenure split represents a pragmatic balance between viability, the significant local need for affordable housing identified in the SCS, the LHMA and the SHMA, and consistency with the London Plan and its draft replacement.

(d) Whether the plan makes sound provision for housing in relation to:

- **Sites for Gypsy and Travellers**

- 2.24 The plan makes sound provision for housing in relation to sites for Gypsy and Travellers. The Council's approach is outlined in Core Strategy Policy 2 (CSP2) (**CSD1.1**). This confirms the Council's commitment to provide for the identified needs of gypsies and travellers. In setting out the Council's policy it is necessary to provide a background to the changing and uncertain policy context.
- 2.25 A requirement of the London Plan (**CSD4.1**, Policy 3A.14) is the provision of a Gypsy and Traveller site in every borough. In October 2009, as part of the Draft Replacement London Plan (**CSD4.2**, Policy 3.9), the Mayor of London included a requirement to provide a set number of pitches for Gypsies and Travellers in each London borough. Lewisham's target was to provide an additional 15 pitches. In March 2010, in response to consultation, the Mayor of London released a minor alteration to the consultation Draft Replacement London Plan (**CSD4.2a**), which reduced the overall target for new pitches across London and placed a requirement on Lewisham to provide an additional 8 rather than 15 pitches.
- 2.26 In August 2010 the Secretary of State for Communities and Local Government made a commitment to abolish the previous Government's planning circulars relating to the provision of sites for Gypsies and Travellers which includes Circular 01/06 (**CSD5.16**). This Circular placed a requirement on Local Authorities to include sites

for Gypsies and Travellers in their Development Plan Documents (DPDs) (paragraph 30).

- 2.27 In response, the Mayor of London issued an amendment to the Draft Replacement London Plan (**CSD4.2a**) proposing the removal of the requirement to provide a set number of pitches for Gypsies and Travellers in London Boroughs. The Mayor now intends to take a different policy approach that will enable boroughs and stakeholders to meet required needs in light of local circumstances. The Examination in Public of the Draft Replacement London Plan considered this matter on 7th December 2010.
- 2.28 Uncertainty therefore exists regarding the approach that will be taken and the number of pitches the Council may be required to provide. Lewisham currently has no dedicated Gypsy and Traveller site following the closure of the Thurston Road site to make way for the Lewisham Gateway scheme. However, the Council has granted planning permission for five pitches at the site of the former Watergate School, Church Grove, SE6. To date this remains unimplemented.
- 2.29 In seeking to provide a suitable site or sites to accommodate gypsy and traveller pitches, Core Strategy Policy 2 (CSP2) (**CSD 1.1**) provides an over arching policy confirming the Council's commitment to provide for the identified needs of gypsies and travellers and states that the LDF Site Allocations DPD will be used to identify a suitable site or sites. This will be based on any requirements in a new London Plan and assessing local need. CSP2 then outlines six criteria for site selection based on Circular 01/2006 (**CSD5.16**).
- 2.30 The GLA representation did not identify issues relating to gypsy and traveller sites as a matter of conformity. The London Gypsy and Traveller Unit representation (**CSD1.9**) sought to clarify that the number of pitches required for the borough as detailed in the Draft Replacement London Plan (**CSD4.2**) were in addition to those previously located on the Thurston Road site. Various amendments to the wording of the criteria were also sought. The Council made amendments to CSP2 in response to these representations and they were included in the Schedule of recommended amendments (**CSD1.5**).
- 2.31 At its meeting on 1 December 2010, the London Borough of Lewisham's Mayor and Cabinet considered a report on the search for a Travellers' site within the borough (**CSD3.5a**). The report set out a shortlist of seven potential sites which had been identified by officers and recommended further work to assess need and select deliverable sites to meet the requirements of the evolving policy framework. The report's recommendations were adopted.