

**Deloitte.**

Aylesbury Estate, Southwark

Notting Hill Housing Trust

**Revised Affordable Housing  
Statement**

February 2015

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# 1 Introduction

- 1.1 This Affordable Housing Statement has been prepared by Notting Hill Housing Trust (NHHT) and Deloitte Real Estate in support of two planning applications for the proposed regeneration of the Aylesbury Estate.
- 1.2 NHHT, founded in 1963, is one of the largest, most experienced, innovative and financially secure housing associations in the UK. NHHT employ approximately 800 staff, managing almost 30,000 homes. NHHT was selected by the London Borough of Southwark (LBS) as its preferred development partner for the Aylesbury Estate in 2014. Residents of the existing Estate were involved in the selection process.
- 1.3 Two associated planning applications seek planning permission for the proposed development comprising the demolition of existing buildings and the construction of a maximum of 3,575 residential units as follows:
  - A Full Planning Application for the First Development Site (FDS) involving the construction of 830 residential units, together with a community facility (263 m<sup>2</sup>) (referred to as the FDS Application).
  - An Outline Planning Application for the construction of a maximum of 2,745 residential units along with associated community space, retail, early years provision, health centre and workspace (referred to as the Outline Application).
- 1.4 The overriding development aspiration is to regenerate the Aylesbury Estate through the provision of high quality new homes and associated community and retail/commercial facilities within a sustainable and inclusive environment.
- 1.5 Developed between 1966 and 1977, the existing dwellings within the Estate are in a poor state of repair. The poor housing conditions make them a key priority for regeneration.
- 1.6 This statement analyses the level of affordable housing that will be provided and considers both the quality and quantity of homes in the context of the Borough's housing needs and relevant planning policy.
- 1.7 This Affordable Housing Statement should be read in conjunction with the Planning Statement submitted in support of the planning applications.

# 2 The Proposals

2.1 The residential components of the two planning applications are described below.

## First Development Site

2.2 The FDS will provide 830 residential units. Table 2.1 below sets out the proposed tenure split across the FDS.

|                       | Private  | Target rent  | Affordable Rent  | Intermediate   | Total Affordable   | Total                           |
|-----------------------|--|--|--|--|--|---------------------------------|
| Flats                 | 368<br>(HR 1,054)  | 209<br>(HR 628)  | 27<br>(HR 54)  | 79<br>(HR 215)   | 315<br>(HR 897)  | 683<br>(HR 1,951)               |
| Maisonette and Duplex | 44<br>(HR 199)   | 33<br>(HR 160)   | 0  | 23<br>(HR 111)   | 56<br>(HR 271)   | 100<br>(HR 470)                 |
| Houses                | 12<br>(HR 74)  | 35<br>(HR 228)   | 0  | 0<br>(HR 0)  | 35<br>(HR 288)   | 47<br>(HR 302)                  |
| <b>Total</b>          | <b>424</b><br><b>(HR 1,327)</b><br><b>(Units 51.1%)</b><br><b>(HR 48.7%)</b> | <b>277</b><br><b>(HR 1,016)</b><br><b>(Units 33.4%)</b><br><b>(HR 37.3%)</b> | <b>27</b><br><b>(HR 54)</b><br><b>(Units 3.2%)</b><br><b>(HR 2.0%)</b> | <b>102</b><br><b>(HR 326)</b><br><b>(Units 12.3%)</b><br><b>(HR 12.0%)</b> | <b>406</b><br><b>(HR 1,396)</b><br><b>(Units 48.9%)</b><br><b>(HR 51.3%)</b> | <b>830</b><br><b>(HR 2,723)</b> |

**Table 2.1 FDS Tenure Split**

**(HR = Habitable Rooms)**

2.3 Within the FDS Application the majority of the affordable housing is target rent (277 units). 27 units are provided as affordable rent comprising the 7 learning disability units and 20 extra care units. In addition there are 102 intermediate units which will be shared ownership.

2.4 As table 2.1 indicates the affordable units are distributed across the different housing types.

**Outline Application Site**

2.5 The outline application proposes up to 2,745 residential units. Table 2.2 below sets out the proposed tenure split across the outline application site based on the maximum of 2,745 residential units being delivered.

| Private Units | Target rent Units | Intermediate Units | Total Affordable Units | Total Residential Units |
|---------------|-------------------|--------------------|------------------------|-------------------------|
| 1,349         | 1,019             | 377                | 1,396                  | 2,745                   |
| (HR 5,412)    | (HR 3,955)        | (HR 1,292)         | (HR 5,247)             | (HR 10,659)             |
| (Units 49.1%) | (Units 37.1%)     | (Units 13.8%)      | (Units 50.8%)          |                         |
| (HR 50.8%)    | (HR 37.1%)        | (HR 12.1%)         | (HR 49.2%)             |                         |

**Table 2.2 Outline application Tenure Split**

**(HR = Habitable Rooms)**

2.6 Where a lesser number of residential units are delivered, the proportionate levels of affordable housing and tenure split will be achieved.

## Comprehensive Development

2.7 The table below sets out the proposed tenure split across the both the First Development Site and the outline application site.

| Tenure                 | FDS Application                                  | Outline Application<br>(assumes that 2,745<br>units are delivered) | Total  |
|------------------------|--|--|--|
| <b>Target Rent</b>     | 277<br>(HR 1,016)<br>(Units 33.4%)<br>(HR 37.3%) | 1,019<br>(HR3,955)<br>(Units 37.1%)<br>(HR 37.1%)                  | <b>1,296</b><br><b>(HR 4,971)</b><br><b>(Units 36.3%)</b><br><b>(HR 37.1%)</b> |
| <b>Affordable Rent</b> | 27<br>(HR 54)<br>(Units 3.2%)<br>(HR 2.0%)       | 0<br>(HR 0)<br>(Units 0%)<br>(HR 0%)                               | <b>27</b><br><b>(HR 54)</b><br><b>(Units 0.7%)</b><br><b>(HR 0.4%)</b>         |
| <b>Intermediate</b>    | 102<br>(HR 326)<br>(Units 12.3%)<br>(HR 12.0%)   | 377<br>(HR 1,292)<br>(Units 13.8%)<br>(HR 12.1%)                   | <b>479</b><br><b>(HR 1,618)</b><br><b>(Units 13.4%)</b><br><b>(HR 12.1%)</b>   |
| <b>Private</b>         | 424<br>(HR 1,327)<br>(Units 51.1%)<br>(HR 48.7%) | 1,349<br>(HR 5,412)<br>(Units 49.1%)<br>(HR 50.8%)                 | <b>1,773</b><br><b>(HR 6,739)</b><br><b>(Units 49.6%)</b><br><b>(HR 50.4%)</b> |
| <b>Total Units</b>     | <b>830</b><br><b>(HR 2,723)</b>                  | <b>Up to 2,745</b><br><b>(HR 10,659)</b>                           | <b>3,575</b><br><b>(HR 13,382)</b>   |

Table 2.3 FDS and Outline Application Site Tenure Split

(HR = Habitable Rooms)

2.8 Table 2.4 summarises the affordable housing provision and tenure split.

| Tenure                             | FDS  | Outline Application<br>(assumes that 2,745<br>units are delivered) | Comprehensive<br>Development                       |
|------------------------------------|--|--|--|
| Private                            | 424<br>(HR 1,327)<br>(Units 51.1%)<br>(HR 48.7%) | 1,349<br>(HR 5,412)<br>(Units 49.1%)<br>(HR 50.8%)                 | 1,773<br>(HR 6,739)<br>(Units 49.6%)<br>(HR 50.3%) |
| Affordable                         | 406<br>(HR 1,396)<br>(Units 48.9%)<br>(HR 51.3%) | 1,396<br>(HR 5,247)<br>(Units 50.9%)<br>(HR 49.2%)                 | 1,802<br>(HR 6,643)<br>(Units 50.4%)<br>(HR 49.7%) |
| Affordable Tenure<br>Split         |  |  |  |
| - Intermediate                     | 102 units (25.1%)                                | 377 units (27.0%)  | 479 units (26.6%)                                  |
| - Target Rent /<br>Affordable Rent | 304 units (74.9%)                                | 1,019 units (73.0%)  | 1,323 units (73.4%)                                |

**Table 2.4 Summary of affordable housing provision (HR = Habitable Rooms)**

2.9 Table 2.4 indicates:

- Within the FDS Application 51.3% of habitable rooms are affordable, equating to 48.9% of units.
- Within the Outline Application 49.2% of habitable rooms are affordable, equating to 50.9% of units.
- Across the Comprehensive Development 49.7% of habitable rooms are affordable, equating to 50.4% of units.
- The unit tenure split within the FDS Application is 25 / 75% intermediate / social rent.
- The unit tenure split within the Outline Application is 27 / 73% intermediate / social rent.
- The unit tenure split within the comprehensive development is 27 / 73% intermediate / social rent.

## Housing Re-provision

- 2.10 Consideration has also been given to the overall provision of residential units across the Estate taking into account the phases of the Estate redevelopment which are already committed or delivered.
- 2.11 Table 2.5 below sets out an overview of the delivered / committed phases (Early Phases) and proposed phases (FDS and Masterplan) of housing re-provision within the Aylesbury Estate renewal programme. The 'Estate Baseline' is the situation on the Estate prior to the early redevelopment phases 1a and 7 being implemented.

|                             | Target and Affordable Rent Units | All Affordable Units | Private Units           | All Units              |
|-----------------------------|----------------------------------|----------------------|-------------------------|------------------------|
| Estate Baseline             | 2,402<br>(HR 7,345)              | 2,402<br>(HR 7,345)  | 356<br>(HR 1,289)       | 2,758<br>(HR 8,634)    |
| Early Phases                | 148<br>(HR 541)                  | 210<br>(HR 703)      | 198<br>(HR 591)         | 408<br>(HR 1,294)      |
| Proposed FDS and Masterplan | 1,323<br>(HR 5,025)              | 1,802<br>(HR 6,643)  | 1,773<br>(HR 6,739)     | 3,575<br>(HR 13,382)   |
| Net Change                  | -931<br>(HR -1,779)              | -390<br>(HR +1)      | + 1,615<br>+ (HR 6,041) | +1,225<br>(HR + 6,042) |

**Table 2.5 Housing provision overview against Estate baseline**

- 2.12 At the baseline position, the Estate contained very little private housing. An objective of the Estate regeneration is to provide high quality new homes across a range of tenures. This involves the introduction of a higher proportion of private housing. Overall there will be a net addition of 1,225 homes on the Estate.
- 2.13 Although there is a decrease in the number of affordable units, an objective of the project is to ensure that there is no net loss of affordable housing in terms of habitable rooms and Table 2.5 illustrates that this has been achieved.
- 2.14 At the baseline position, the estate contained a high percentage of one bedroom units. An objective of the Aylesbury Area Action Plan is to increase the number of units in the estate that have at least two bedrooms. The redevelopment scheme will do this. As a result, although the total number of units in the affordable housing sector drops, the number of affordable habitable rooms is maintained.
- 2.15 The proposals as summarised above are considered against planning policy below.



# 3 Planning Policy Context

3.1 Affordable housing planning policy is set at the national, regional and local level. The proposed affordable housing has been designed to respond to affordable housing planning policy requirements.

## a) National

3.2 Paragraphs 47 and 50 of the NPPF set out measures to boost significantly the supply of housing in order to deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities.

## b) Regional

3.3 London Plan Policies 3.8 – *Housing Choice* and 3.9 – *Mixed and Balanced Communities* seek to ensure that Londoners have a genuine choice of homes that they can afford and that communities are mixed and balanced by tenure and household income.

3.4 Policy 3.11 of the London Plan states that boroughs:

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“should seek to maximise affordable housing provision and ensure an average of at least 13,200 more affordable homes per year in London over the term of this Plan.”

3.5 The policy also states that boroughs;

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“should set an overall target in LDFs for the amount of affordable housing provision needed over the plan period in their areas and separate targets for social rented and intermediate housing”.

3.6 Policy 3.12 states:

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“The maximum reasonable amount of affordable housing should be sought when negotiating on individual private residential and mixed use schemes, having regard to:

current and future requirements for affordable housing at local and regional levels.

affordable housing targets.

the need to encourage rather than restrain residential development.

the need to promote mixed and balanced communities.

the size and type of affordable housing needed in particular locations.

specific circumstances of individual sites”.

3.7 Policy 3.14 of the London Plan states that

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“Loss of housing, including affordable housing, should be resisted unless the housing is replaced at existing or higher densities with at least equivalent floorspace.”

3.8 Paragraph 3.82 of the London Plan provides further guidance and states that;

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“Estate renewal should ‘take into account the regeneration benefits to the local community, the proportion of affordable housing in the surrounding area and the amount of affordable housing to be provided elsewhere in the borough.’”

### **c) Local**

3.9 In accordance with the London Plan requirement, LBS Core Strategy Strategic Policy 6 states that:

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‘development should provide as much affordable housing as is reasonably possible whilst also meeting the needs for other types of development and encouraging mixed communities.’

3.10 Policy 6 requires:

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“50% affordable housing and 50% private housing in the Aylesbury Action Area Core.”

3.11 The LBS draft Affordable Housing SPD (2011) provides further guidance and states that in some instances of estate regeneration the Council;

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‘may not replace all of the affordable housing lost during redevelopment’

3.12 In addition, the SPD states that an agreement has been reached with the Mayor to ‘allow the loss of affordable housing to other tenures in some circumstances’ due to the ‘need to create mixed communities and to improve the quality of the existing homes’

3.13 The LBS Affordable Housing SPD explains that in schemes over 15 units, the affordable housing proportion is calculated on the basis of habitable rooms.

3.14 AAAP Policy BH3 – Tenure Mix states that 50% of new homes in the AAAP core should be affordable and 50% should be private. Of the affordable housing, 75% should be social rented and 25% should be intermediate.

### **Assessment Against Policy**

3.15 In accordance with National Policy the redevelopment of the Estate will significantly increase the supply of housing within London by providing an additional 1,225 residential units compared with the Estate baseline. The proposed mix of units will provide opportunities for home ownership and create a mixed community of both private and affordable homes.

3.16 In the context of Policy 3.14 of the London Plan, although the existing housing on the Aylesbury Estate will be lost, it will be replaced with a greater quantity of new homes in terms of floorspace, unit numbers and habitable rooms in accordance with this policy.

### **Tenure Mix**

3.17 The FDS Application will deliver 830 residential dwellings. As set out in section 2 above;

- Within the FDS Application 51.3% of habitable rooms are affordable, equating to 48.9% of units..
  - The unit tenure split within the FDS Application is 25 / 75% intermediate / social rent.
- 3.18 This complies with the national, regional and local planning policies in terms of the proportion of affordable housing and the tenure mix.
- 3.19 The outline Application will deliver up to 2,745 residential dwellings. As set out in section 2 above;
- Within the outline Application 49.2% of habitable rooms are affordable, equating to 50.9% of units..
  - The unit tenure split within the outline Application is 27 / 73% intermediate / social rent.
- 3.20 This is in accordance with national planning policy and broadly accords with the London Plan and AAAP in terms of the proportion of affordable housing and the tenure mix.
- 3.21 The Comprehensive Development will deliver up to 3,575 residential dwellings. As set out in section 2 above;
- Across the Comprehensive Development 49.7% of habitable rooms are affordable, equating to 50.4% of units.
  - The unit tenure split within the comprehensive development is 27 / 73% intermediate / social rent.
- 3.22 This is in accordance with national planning policy and broadly accords with the London Plan and AAAP in terms of the proportion of affordable housing and the tenure mix.

### **Affordable Housing Re-provision**

- 3.23 In accordance with London Plan Policy 3.14 there is a net increase in residential floorspace of 1,225 units (6,042 habitable rooms) when compared with the Estate Baseline. In terms of affordable housing, there is a reduction in the overall units and floorspace. However, the number of affordable habitable rooms is maintained (see table 2.5).
- 3.24 The AAAP policy requires a mixed tenure scheme introducing private housing on to the Estate where today there is very little. Specifically, the AAAP requires 50% of new housing to be private tenure. This accords with the NPPF and Policy 3.9 of the London Plan in terms of widening housing choice and creating communities that are mixed and balanced in terms of tenure and household income. It is an important policy objective to create a balanced and sustainable community.
- 3.25 In addition, paragraph 3.3.5 of the AAAP notes:

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“The private and intermediate homes will generate value to help deliver the project. Financial modelling has shown that the replacement of all the existing social rented housing would not be possible economically.”

- 3.26 The housing mix has been carefully considered to meet the objectives of the AAAP and to deliver the highest possible quantity of new affordable homes together with other tenures and types of housing and the open spaces and other uses needed to create a vibrant and sustainable community.

# 4 Affordable Housing Need

- 4.1 The provision of affordable housing in response to local housing need, including that of existing/transferring residents, is a key strategic objective of this regeneration project. The quantum of affordable housing provided by the development will contribute to both the LBS and London Plan affordable housing targets, as described below.
- 4.2 As a local authority, Southwark has one of the highest amounts of affordable housing in the country, with around 45% of dwellings being affordable homes. The Aylesbury Estate is located within the Faraday ward, which the Southwark Core Strategy identifies as being one of the areas in the borough with the highest amount of affordable housing. Whilst there is still a large need for more affordable housing in Southwark, the Core Strategy states that the Council '*cannot meet all of this need as we also need to create mixed and balanced communities with a range of types of housing in all areas*'. The policy requires a minimum of 35% private housing in the Faraday ward, and 50% in the Aylesbury action area core to provide more variety of housing tenure in this area.
- 4.3 The proposals for tenure and unit size mix across the masterplan area reflect the housing need identified in the 2009 LBS Housing Requirements Study. The approach broadly reflects the housing mix and phasing detail as outlined in the Aylesbury Area Action Plan, which was intended to deliver more affordable housing within the early phases of the masterplan area, along with more smaller units, in order to reflect the existing housing demand on the Estate and help to drive re-housing of tenants and leaseholders from later phases of the regeneration.
- 4.4 The general approach to re-housing assumes that as many existing residents as possible will move into the new properties as they are completed, although in the first phases it is expected that the demand will exceed supply and the majority of the existing residents will move elsewhere. At present there remain a very small number of leaseholders and tenants on the First Development Site, and Southwark Council made a compulsory purchase order for the acquisition of interests in the site in July 2014. Re-housing notices have been issued to all tenants and leaseholders within phase 2 of the masterplan area, and the tenants living within plots 4 and 5 have been 'activated' for band 1 priority bidding on the Council's choice-based lettings system.
- 4.5 Residents moving off the Aylesbury estate may request to move back. However the 'Option to Return' is only available to former residents of site 1a, site 7 (both developments undertaken by London and Quadrant Housing Association), the First Development Site and part of Phase 2 and only after all of the Aylesbury residents have been re-housed. Southwark Council Officers will discuss this policy with the resident at the point of tenancy surrender. Residents returning to the estate to occupy new homes will only be considered for accommodation that meets their needs at the time of return as per NHHT's Lettings and Allocations Policy.
- 4.6 Working with LBS, NHHT will actively market the new supply of homes on the Estate to existing tenants and leaseholders and ensure that concerns over tenancy conditions and affordability are addressed. Over the first 10 years of the regeneration programme, NHHT have committed to providing 142 target rent and 15 shared equity residential properties from its stock off-site, to be provided from both its new build pipeline, and an additional purchase and repair programme. Securing the above off-site target rented accommodation will help to mitigate the net loss of affordable homes within the development area.

- 4.7 NHHT will use all reasonable endeavours to match both the proposed development mix and the off-site supply to the housing needs of existing Aylesbury Estate residents. To support this approach, LBS will carry out regular housing need surveys through the life of the project.
- 4.8 Across both applications the proposed affordable housing units provided on-site will comprise broadly 75% target rent units and 25% intermediate. The proposals make a particular contribution towards meeting demand for intermediate affordable accommodation and therefore positively respond to the aspirations of existing residents of the Estate who seek to become home owners by moving from target rented accommodation into intermediate accommodation. It is noted that within NPPF, that the Government shows commitment to widen opportunities for home ownership. The proposals clearly assist in achieving this.
- 4.9 The London Borough of Southwark's Housing Department also seeks to maximise the opportunity for residents to become home owners. The Council currently has a large waiting list of local residents wishing to move into intermediate accommodation.

# 5 Size and Quality of Units

- 5.1 The proposed affordable housing provision incorporates a range of unit sizes, thereby responding to the needs of a range of household sizes, in accordance with national and local planning policy. The proposals comply with the space standards outlined both in the Mayor’s London Housing Design Guide, and in the Aylesbury Area Action Plan. The latter specifies different standards by tenure, with the most generous size requirements for target rented housing, at Parker Morris plus 10%, reflecting the standards of the existing Aylesbury Estate flats. The extra care flats in the First Development Site have been designed in accordance with the Housing Learning and Improvement Network (LIN) Care Services Improvement Partnership’s ‘Design Principles for Extra Care’ (2<sup>nd</sup> edition, 2008). Of the 50 extra care flats, 9 also meet the South East London Housing Partnership (SELHP) wheelchair design standards. Beyond the extra care dwellings, all designated wheelchair units within the proposed development will comply with the SELHP wheelchair design standards.
- 5.2 The table below sets out the minimum unit sizes which will be achieved within the FDS and Masterplan proposals.

**Table 4: Size of Affordable Housing units**

| Tenure        | Minimum size (sqm) |
|---------------|--------------------|
| Target Rented |                    |
| 1 bed         | 52.3               |
| 2 bed         | 66                 |
| 3 bed         | 96                 |
| 4 bed         | 99                 |
| 5 bed         | 128                |
| Intermediate  |                    |
| 1 bed         | 50                 |
| 2 bed         | 63                 |
| 3 bed         | 89                 |
| 4 bed         | 102                |

# 6 Housing Quality

- 6.1 All of the proposed affordable housing units will be built to the required space standards and provide residential accommodation of significant quality compared to the existing stock. All of the proposed dwellings will be built to Lifetime Homes standards and 10% of all units will be wheelchair adaptable to confirm to the Mayor's London Plan requirements.
- 6.2 The proposed dwellings will provide a mix of both open plan and more enclosed layouts, to provide sufficient choice for residents.

# 7 Tenure Distribution

- 7.1 All proposed dwellings have been designed to be 'tenure blind' with the affordable units being indistinguishable in external appearance from the private sale units. The different tenures are distributed across the masterplan area, with target rented and shared ownership homes located all across the site, including along Albany Road, with views of Burgess Park. Houses are fully pepperpotted, with those for private sale mixed amongst those designated for target rent and shared ownership.
- 7.2 Within the First Development Site, the 27 affordable rent units are all located within the Extra Care and Learning Disabilities blocks, where Southwark Council have advised that this is acceptable, given the associated levels of management and servicing to these flats.



# 8 Conclusion

- 8.1 The proposals positively respond to affordable housing planning policy requirements at the national, regional and local level. The level and mix of affordable housing units proposed has been determined after considering the AAAP policy objectives to create a mixed and balanced community, the overall viability of the development and local housing need.
- 8.2 The proposal will assist the Council in meeting affordable housing need, and will provide high quality new stock. The proposal positively responds to local demand for intermediate accommodation units. Whilst the number of target rent units to be provided on site is less than existing, NHHT will secure additional target rent units off site, many of which will be family sized dwellings.

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