



AFFORDABLE HOUSING STATEMENT

**LONDON BOROUGH OF HARROW
HOUSING SERVICES**

GRANGE FARM ESTATE

AFFORDABLE HOUSING STATEMENT

On behalf of: London Borough of Harrow Housing Services

In respect of: Grange Farm Estate

Date: November 2017

Reference:

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1.0 Introduction

- 1.1 This Affordable Housing Statement has been prepared on behalf of London Borough of Harrow Housing Services for the redevelopment of the Grange Farm Estate in South Harrow.
- 1.2 The proposed development involves the comprehensive redevelopment of the site to provide a contemporary housing development that strengthens and reinvigorates the surrounding area and provides additional residential choice and housing mix. The overarching strategic vision of the scheme is to deliver a new lifetime neighbourhood that naturally connects with the wider Borough and breaks down the barriers between the estate and the surrounding areas.
- 1.3 The proposed development comprises 574 new dwellings, delivered over 9 new linked buildings (18 building in total). The high quality scheme creates a distinctive architectural language. Buildings range from two to seven storeys in height. A new community centre of around 1,350 m² is also proposed at the heart of the development, replacing the existing small facility, and allowing for the co-location of community initiatives currently dispersed in the local area.
- 1.4 The development replaces social rent housing, together with additional shared ownership housing and market housing for sale. The development is to be delivered in three phases, with phase one comprising replacement social rent housing (with rents set according to London Affordable Rent), and a small element of shared ownership accommodation. The Application for phase one is for detailed (full) planning permission with phases two and three in outline with details of access submitted in detail, landscaping partially detailed and with details of Layout, Scale and Appearance and the balance of the landscaping reserved for later determination. The outline application is accompanied by a Design Code to ensure high quality design.
- 1.5 The Site will accommodate around 260 residential car parking spaces, including circa 88 parking spaces within the podium of Plot 3. The podium parking will be accessible from street level. Cycle parking is to be provided in line with the provisions of the London Plan, with 943 cycle parking spaces being proposed.
- 1.6 Significantly enhanced landscaping and public realm improvements which create a hierarchy of open spaces, both public and private will be provided. There will also be an on-site energy centre, which will utilise combined heat and power (CHP) technology for the benefit of residents and available to link with the wider South Harrow area.
- 1.7 The Council set out its aspirations at the start of this regeneration project with the aim to replace the existing social housing and to reflect current housing needs within the estate and the wider demand within Harrow. In particular the development sought to cater for the need for larger family and wheelchair adapted housing. These aspirations are balanced within the context of the viability of the development.

2.0 Existing Affordable Housing Provision

2.1 The Site presently consists of 282 existing dwellings, of which 253 are for social rent and 29 are leasehold/freehold. The existing homes are provided within a variety of building types including;

- 25 identical three storey Resiform clusters, built in the 1960s and comprising smaller one and two bedroom units.
- The three storey Genesis Housing Association residential blocks on the western side of the site, comprising one, two and three bedroom units.
- A more recent red brick housing development located in the south east consisting of several bungalows and three storey apartment buildings, comprising one and two bedroom units.

2.2 The 25 Resiform buildings, comprising a total of 225 one and two bed units, make up the dominant building type on the site, comprising the greatest area of the site and providing the bulk of the existing accommodation. These smaller, life expired units are also those which are in greatest need for replacement.

2.3 The older resiform blocks are recessed from the highway and are surrounded by formless undefined landscaping with no clear definition of ownership and control causing an inefficient use of space. The more recent red brick dwellings located on Osmond Close are relatively isolated and include pockets of secluded spaces. The Genesis Housing accommodation again includes some modern red brick housing that is poorly integrated with the wider Estate.

2.4 The following table sets out the existing housing provision of, units and bedspaces, which are provided on the site in the various building types.

Unit Size	Unit Bedspace	Resiform	Osmond Close Bungalow	Osmond Close Flats	Genesis HA Osmond	Genesis HA Wesley	Total Units	Total Bedspace
1B2P	2	75	0	24	0	6	105	201
2B4P	4	150	13	0	6	0	169	676
3B5P	5	0	0	0	4	4	8	40
Total		225	13	24	10	10	282*	926

**The existing non-resident and resident leasehold and freehold units are not required to be provided, thus the reprovision is on the basis of the floorspace of the remaining 253 social rent units. Please note that the figures relating to the existing housing provision are those at the time when the decision to regenerate the estate was confirmed by Harrow Borough Council, since this time a number of tenants have been rehoused, thus the current situation would reflect a lower on-site provision.*

2.5 The following table sets out the existing housing provision in terms of floorspace and bedspaces, by the existing accommodation provided on site and by existing social rent.

	Total Units	Total Floorspace (m²)	Total Bedspaces	Total Habitable Rooms
Existing Site	282	18108	926	749
Existing Social Rent	253	15672	822	668

3.0 Affordable Housing Need

- 3.1 The need for Affordable Housing is well documented in the draft London Housing Strategy 2017, draft London Plan 2017 and Harrow Housing Strategy and Evidence Base 2013.
- 3.2 In 2016, the gap between average house prices in London and the rest of the country reached the widest ever recorded, with the average rent for a one-bedroom home in London now averaging more than the average for a three-bedroom house in every other English region, and a typical mortgage deposit for first time buyers amounting to £90,000.¹
- 3.3 Lower pay in Harrow compared with other London boroughs, combined with high rents and house prices, means Harrow is one of the least affordable boroughs for both market rent and for house purchase. Harrow has one of the lowest social housing stock compared to neighbouring boroughs and London overall. Welfare reforms, including those to housing benefit, have put additional pressure on private sector rental stock at the lower end of the market, all of the above has led to a higher demand for low cost rental properties.
- 3.4 The National Housing Federation stated in their report titled *Home Truths 2016/17: London*² that home ownership is out of reach for most and that the cost of renting property is become more unaffordable compared to average pay packets.

	Avg. house price in 2016	Avg. monthly private rent 2015/16	Mean annual earnings 2015	Ratio of house prices to incomes	Income required for 80% mortgage 2016	% of HB claimants in employment in Feb 2015
Harrow	£474,186	£1,370	£31,928	14.9	£108,385	47%
London	£563,041	£1,727	£33,940	16.6	£128,695	35%
England	£282,011	£820	£27,680	10	£66,640	24%

- Average house prices and private rents in Harrow far exceed the national average;
 - Annual earnings in Harrow are below the London average;
 - The ratio of house price to income in Harrow is 14.9;
 - An income of £108,385 is required for 80% mortgage in Harrow (2015), much higher than the average income.
- 3.5 The *London Poverty Profile* for Harrow states that 32% of jobs in Harrow were low paid in 2015-2016, whilst average rent accounts for 60% of lower quartile monthly gross earnings.³

¹ The London Housing Strategy – Draft September 2017

² http://s3-eu-west-1.amazonaws.com/pub.housing.org.uk/Home_Truths_2017_London.pdf

³ <https://www.trustforlondon.org.uk/data/boroughs/harrow/>

3.6 The Shelter Report *Homes for our Children: How much of the housing market is affordable?*⁴ Indicates low levels of affordability in the housing market:

- For a family, there are no affordable homes available in Harrow, resulting in national ranking of 1.
- For a couple, there are 6 affordable homes in Harrow, the percentage affordable is 0.6% and the national ranking is 18.
- For a single person, there is 1 affordable home available in Harrow, the percentage affordable is 0.1%, and the national ranking is 34.

3.7 The Council therefore is seeking to maximise the affordable housing replaced through the Grange Farm estate regeneration project and as a minimum replace the social housing.

⁴ https://england.shelter.org.uk/__data/assets/pdf_file/0007/1124593/2015_04_24_Homes_for_Our_Children_-_FINAL.pdf

4.0 Proposed Development

- 4.1 The proposed redevelopment of the Grange Farm Estate comprises the erection of 9 new connected buildings on the site. The development seeks to provide a modern housing development replaces the existing affordable housing on the site and which strengthens and reinvigorates the surrounding area.
- 4.2 The vision for the proposed development is consistent with London Plan Policy 3.14 as expanded upon in paragraph 3.82, insofar as the proposal is to renew the Estate and provide better quality accommodation. London Plan paragraph 3.82 calls for estate regeneration to replace affordable housing with better quality accommodation and to provide at least at an equivalent floorspace of affordable housing. The proposed Estate renewal will increase the total floorspace.
- 4.3 The redevelopment of the estate proposes 574 homes and a community centre. Of the 574 homes to be provided throughout the entire development, 241 are to be for affordable housing with 216 for social rent and 25 for shared ownership, and 333 for market sale. This results in a provision of 42% of the development allocated for affordable housing.
- 4.4 The existing provision of social housing on the site amounts to a total floorspace (Net Internal Area) of 15,672 sqm, this is proposed to be increased to 15,709 sqm (social rented) and 1,611 sqm (shared ownership) totalling 17,320 sqm of affordable housing. The proposed increase in social housing is consistent with the above provisions of the London Plan which calls for affordable housing to be replaced at an equivalent floor space.
- 4.5 The existing number of habitable rooms within the social rent units is 668. It is proposed to provide 627 social rented habitable rooms and 62 shared ownership habitable rooms totalling 689 affordable housing habitable rooms across the site. The existing number of social housing bedspaces is 822 and increases 758 social rented bedspaces and 74 shared ownership bedspaces totalling 832 affordable housing bedspaces.

Proposed Affordable Units

- 4.6 Section 13 of the Mayor's Affordable Housing and Viability SPG reflects that the Mayor's preferred housing tenure mix includes a range of products to meet different needs – principally low cost rented accommodation to meet general needs, and London Living Rent and shared ownership to meet intermediate needs.
- 4.7 Shared ownership units are considered to be an acceptable form of intermediate affordable housing as set out in Section 13 of Affordable Housing and Viability SPG.
- 4.8 It is proposed to deliver 241 new affordable housing units (comprising 216 social rent units, with rents up to London Affordable Rent levels and 25 shared ownership units) to replace the 253 existing social rent units. The 29 existing non-resident and resident leasehold and freehold units are not required to be replaced with social rented units. However; LB Harrow are offering an equity share option to existing resident leaseholders, which is included within the shared ownership offer.

1.1 Of the affordable housing provision 90 percent comprises social rent units and 10 percent shared ownership, this split provides substantially more social rent accommodation than the recommended 60% social rent as set out in section 2.39 of the Affordable Housing and Viability SPG. However, the key driver to the delivery of affordable housing on the site is the replacement of social rent floorspace at higher levels, as set out in Policy 3.14 B of the London plan which calls for existing housing to be replaced at existing or higher densities with at least equivalent floorspace.

4.9 Existing Social Rent units to be replaced:

Unit Size	Total Units	Bedspaces	% Split
1B2P	99	198 / 196	39%
2B4P	146	584	58%
3B5P	8	40	3%
Total	253	822	100%

4.10 As the scheme involves rehousing the existing social rent tenants, care has been taken to retain, as closely as possible, the existing unit mix, while responding to some existing residents' needs for larger family homes and Harrow Housing priority for larger homes. As the table below shows, the proportion of smaller 1 bedroom / 2 bedspace units has fallen compared to the existing split, as has the proportion of 2 bedroom / 4 bedspace units. Conversely, the proportion of proportion of 3 bedroom / 5 bedspace units has increased to 7%, and a number of 4 bedroom / 6 bedspace homes have also been introduced, reflecting Harrow's policy of providing more family units while responding to the needs of the community and the existing provision.

4.11 Proposed Social Rent Units:

Unit Size	Total Units	Bedspaces	% Split
1B2P	75	150	20%
2B4P	111	444	58%
3B5P	16	80	11%
4P6B	14	84	11%
Total	216	758	100%

- 4.12 As can be seen from the above the proportion of one bedroom units has been reduced from 395 to 20% and the number of three bedroom units also increased substantially from 3% to 11%. The scheme also now provides larger family units in the form of 4 bedroom six person units, which make up 11% of the development.
- 4.13 Additionally, 10% of the social rented homes will be provided to full adapted (rather than adaptable) wheelchair standard to meet the needs of both existing residents with mobility needs as well as demand reflected in the council's Housing Register. None of the existing homes are capable of being adapted to full wheelchair standard.

Phasing

- 4.14 The development is to be divided into three phases, with Phase 1 (submitted for full / detailed planning) providing 89 affordable units (68 social rent and 21 shared ownership), Phase 2 and 3 (submitted for outline planning) are to provide circa providing 148 social rent, 4 shared ownership units and 333 market units.
- 4.15 The phasing of the development enables the minimisation of disruption to existing occupants of affordable housing units by allowing a significant number to be relocated, prior to demolition on phase two, to newly completed units in phase one. For further detail please refer to the decanting method statement which has been submitted in support of the application.

Housing Quality

- 4.16 To ensure that the development is of high quality, the Planning Application for the proposed development has been accompanied by a design code which sets out the fundamental parameters for the development.
- 4.17 The design code sets out details for building heights, massing, roof profiles, elevational details, privacy considerations, window types, balcony details, material palettes, entrance details. The design code deals further with bin stores, plantrooms, cycle stores and other ancillary facilities.
- 4.18 A range of unit sizes are proposed in the affordable housing delivery. This is in accordance with both national and local policies. The sizes of the proposed units are furthermore in excess of those required in the London Housing Design Guide.
- 4.19 To comply with the London Plan standards, 10% of all units will be wheelchair adaptable with the 10% social rented being adapted at the outset for immediate occupation and all of the proposed units will be constructed in accordance with the Lifetime Home requirements.

Affordable Housing Management and Decant Strategy

- 4.20 The affordable housing provision will be managed by London Borough of Harrow's Housing Services.

- 4.21 The Decanting of the estate will be managed by the housing regeneration team and consultation in this regard has taken place. The detailed plans for decanting and rehousing are set out in the accompanying document.
- 4.22 Extensive consultation with residents has been undertaken with residents in order to agree a decanting strategy. A detailed Housing Needs Assessment has been undertaken with all residents to understand the numbers, ages and special housing requirements of occupants.
- 4.23 Decanting of a number of residents has already commenced, with this process being managed by the Housing Regeneration Team.
- 4.24 Harrow have in place a specialist full time Decant and Rehousing Officer to support tenants through the relocation process.
- 4.25 The Housing department has made a clear statement relating to the rights of the secure tenants at Grange Farm and our approach to current leaseholders and freeholders (both resident and non-resident landlords) and which are set out in the Grange Farm Charter.
- 4.26 The development is to be undertaken in three phases. Phase 1 requires the demolition of 1-9, 10-18, 19-27, 28-36 and 37-45 Grange Farm Close, and 1-9 and 10-18 Osmond Close. At the time of writing this report, there are currently 114 secure tenants remaining, of which 11 are on the Phase 1 area. As secure tenants on Grange Farm Estate are rehoused, the void properties are used as temporary housing for homeless families pending their being needed for demolition. The intention is that flats should be void for a minimum period of time and ideally no longer than 6 months prior to demolition. Of the occupied flats within the Phase 1 area there are still 3 non-resident leaseholders. There are 7 properties to be repurchased in Phase 2 and 6 in Phase 3.
- 4.27 On completion of the new Phase 1, the council intends to rehouse all the secure tenants in the Phase 2 area directly into the newly built rental units. This will provide vacant possession of the Phase 2 area allowing for it to be redeveloped.
- 4.28 On completion of the new Phase 2, the council will rehouse the remaining tenants in phase 3 to the newly built units, which will allow for the final phase of construction and the housing of the remaining tenants.

5.0 Affordable Housing Viability

- 5.1 The Council has set out ambitious targets for the regeneration of the Grange Farm Estate, to:
- As a minimum, re-provide social rental stock on an equal or improved floor space basis and for the social housing to be retained within the council's ownership.
 - Provide an increase in the total amount of affordable housing (social rent and shared ownership) units.
 - Provide an improved community facility allowing for co-location of various community resources.
 - Deliver a high-quality development with an external environment that maintains the quality theme through to the design of the buildings.
- 5.2 The London Borough of Harrow has commissioned an assessment of financial viability for the proposed development at Grange Farm Estate, including an assessment of the scheme's capacity to support any additional planning gain requirements, additional affordable housing, or other planning gain contributions. This report and appendices include details of the proposed development, planning policy, viability appraisal methodology, assumptions made to assess the scheme, and the results of the appraisal.
- 5.3 The viability assessment has concluded that that proposed development will result in a negative profit. LB Harrow has secured grant funding to contribute towards the viability gap and has made application for additional funding via the government's Housing Infrastructure Fund. The securing of this funding will allow the delivery of an affordable scheme.
- 5.4 It has been a firm belief of the Housing Department team that without setting out high ambitions, the scheme would not be delivered in a sustainable manner. The Housing department recognises that the viability statement illustrates the difficulty in delivering regeneration schemes that deliver 40% plus affordable units particularly if these were exclusively for social rent.
- 5.5 Within the viability assessment are a range of assumptions which are commonly applied to new build schemes. Firstly, it should be noted that the report includes the existing use value (EUV) as a cost to the development. As the majority of land within the Red line boundary is in council ownership the site acquisition costs are less than would be experienced by other developers.
- 5.6 The Housing Department has also identified another land opportunity that could be made available for redevelopment to introduce some additional cross subsidy. This site is located nearby to Grange Farm, is in the council's ownership and will be freed up by co-location of community facilities into the new Community centre on Grange Farm. As part of the Grange Farm procurement process, potential bidders will be invited to consider the benefits this could bring forward.

- 5.7 The existing homes on the Grange Farm would have significant investment needs if they were to be retained, in terms of maintenance and improvement to bring them up to current accommodation standards. It is agreed to spend further money on homes that are not fit for purpose is not sustainable in the long term. The Council has therefore decided to put its own funding into the regeneration proposals which are not taken into account in the viability report.

6.0 Planning Policy Context

- 6.1 National, regional and local planning policies guide the provision of affordable housing. The proposed redevelopment of the Grange Farm Estate has been led by the requirements to provide affordable housing in a manner which is sustainable, of high quality, provides the maximum viable number of units and provides a mix of unit sizes and types.

National Planning Policy Framework (NPPF)

Published in March 2012, the National Planning Policy Framework (NPPF) is the key national policy which guides the provision of affordable housing within the context of broader development.

- 6.2 At the heart of the NPPF is a ‘presumption in favour of sustainable development’ and this is seen as the ‘golden thread’ running through both plan-making and decision taking. Local plan policy-making is encouraged to follow the presumption in favour of sustainable development so that, ‘it is clear that development which is sustainable can be approved without delay’.

Core Planning Principles

- 6.3 Paragraph 17 of the NPPF sets out the core planning principles that should underpin plan-making and decision-taking. The following principles are relevant to the provision of affordable housing:
- proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth. Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities;
 - always seek to secure high quality design and a good standard of amenity for all existing and future occupants of land and buildings; and
 - take account of and support local strategies to improve health, social and cultural wellbeing for all, and deliver sufficient community and cultural facilities and services to meet local needs.

Delivering a Wide Choice of High Quality Homes

- 6.4 Paragraphs 47 and 50 of the NPPF aim to boost the supply of housing including affordable housing, promote the delivery of a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities. Paragraph 50 calls on local planning authorities to:

- plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes);
- identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand; and
- where they have identified that affordable housing is needed, set policies for meeting this need on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified (for example to improve or make more effective use of the existing housing stock) and the agreed approach contributes to the objective of creating mixed and balanced communities. Such policies should be sufficiently flexible to take account of changing market conditions over time.

Local Planning Policy

London Plan (2016)

Policy 3.8 – Housing Choice

- 6.5 A. Londoners should have a genuine choice of homes that they can afford and which meet their requirements for different sizes and types of dwellings in the highest quality environments.
- 6.6 Paragraphs 3.44 and 3.47 confirm that there is a significant need for affordable family homes, and those that meet the requirements of smaller households. Different tenures will have particular roles in meeting these requirements, with renting as well as owner occupation playing an important part in the private sector and, in the affordable sector, a more diverse range of intermediate housing products providing greater flexibility for movement between tenures and the affordable rent product to address the same housing needs as social rented housing.

Policy 3.9 – Mixed and Balanced Communities

- 1.2 A. Communities mixed and balanced by tenure and household income should be promoted across London through incremental small scale as well as larger scale developments which foster social diversity, redress social exclusion and strengthen communities' sense of responsibility for, and identity with, their neighbourhoods. They must be supported by effective and attractive design, adequate infrastructure and an enhanced environment.
- 1.3 B. A more balanced mix of tenures should be sought in all parts of London, particularly in some neighbourhoods where social renting predominates and there are concentrations of deprivation.

6.7 Policy 3.10 – Definition of Affordable Housing

- 1.4 A. Affordable housing is social rented, affordable rented and intermediate housing (see para 3.61), provided to eligible households whose needs are not met by the market. Eligibility is determined

with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.

1.5 Paragraph 3.61 confirms that, within this overarching definition:

- social rented housing should meet the criteria outlined in Policy 3.10 and be owned by local authorities or private registered providers, for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Mayor.
- affordable rented housing should meet the criteria outlined in Policy 3.10 and be let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).⁹¹ In practice, the rent required will vary for each scheme with levels set by agreement between developers, providers and the Mayor through his housing investment function. In respect of individual schemes not funded by the Mayor, the London boroughs will take the lead in conjunction with relevant stakeholders, including the Mayor as appropriate, but in all cases particular regard should be had to the availability of resources, the need to maximise provision and the principles set out in policies 3.11 and 3.12.
- intermediate housing should meet the criteria outlined in Policy 3.10 and be homes available for sale or rent at a cost above social rent, but below market levels. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rent. Households whose annual income is in the range £18,100–£66,000 should be eligible for new intermediate homes. For homes with more than two bedrooms, which are particularly suitable for families, the upper end of this eligibility range will be extended to £80,000. These figures will be updated annually in the London Plan Annual Monitoring Report.

1.6 Paragraph 3.62 further states that increased provision of intermediate housing is one of the ways in which the supply of affordable housing can be expanded. The Mayor will work with the Boroughs and other delivery and funding agencies to develop understanding and provision of a range of relevant products, particularly for families. For the purposes of the paragraph 3.61 definition, eligibility criteria for intermediate housing may be set locally to recognise the individual characteristics of local housing markets but should not compromise Policy 3.11 to maximise affordable housing provision.

6.8 Policy 3.11 – Affordable Housing Targets

1.7 A. The Mayor will, and boroughs and other relevant agencies and partners should, seek to maximise affordable housing provision and ensure an average of at least 17,000 more affordable homes per year in London over the term of this Plan. In order to give impetus to a strong and

diverse intermediate housing sector, 60% of the affordable housing provision should be for social and affordable rent and 40% for intermediate rent or sale. Priority should be accorded to provision of affordable family housing.

1.8 B. Boroughs 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/affordable rented; and
- intermediate

housing and reflect the strategic priority accorded to provision of affordable family housing and to making the best use of available resources to maximise affordable housing output.

1.9 C. LDF affordable housing targets should take account of:

- a. current and future housing requirements identified in line with Policies 3.8, 3.10 and 3.11
- b. the strategic targets and priority accorded to affordable family housing set out in section A above
- c. the approach to coordinating provision and targets to meet the range of strategic, sub-regional and local affordable housing needs in London set out in Policy 3.8, paragraphs 3.65 - 3.67 and Supplementary Planning Guidance and the Mayor's London Housing Strategy
- d. the need to promote mixed and balanced communities (see Policy 3.9)
- e. capacity to accommodate development including potential sources of supply outlined in para 3.67
- f. the viability of future development, taking into account future resources as far as possible.

6.9 Policy 3.14 – Existing Housing

6.10 A. The Mayor will, and boroughs and other stakeholders should, support the maintenance and enhancement of the condition and quality of London's existing homes.

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

6.11 Paragraph 3.79 states that maintaining and improving the quality and condition of London's stock of homes is a continuing concern. The planning system must support the largely managerial and investment based initiatives to target this issue set out in the London Housing Strategy.

1.11 Paragraph 3.82 states that estate renewal should take into account the regeneration benefits to the local community, the proportion of affordable housing in the surrounding area (see Policy 3.9),

and the amount of affordable housing intended to be provided elsewhere in the borough. Where redevelopment of affordable housing is proposed, it should not be permitted unless it is replaced by better quality accommodation, providing at least an equivalent floorspace of affordable housing.

London Housing SPG

6.12 Paragraph 3.51 states that, as housing need increases in London, new approaches to meeting need are emerging. Where these products are of a high quality and well-designed, they can play an important role in meeting housing need and should be encouraged. Local Planning Authorities should ensure, amongst other things:

- proposals demonstrate how they meet identified housing needs (Policy 3.8Ba);
- proposals demonstrate how they contribute to the creation of mixed and balanced communities (Policy 3.9);
- schemes contribute the maximum reasonable amount of affordable housing in line with Policy 3.12 and Policy 3.13.

6.13 Paragraph 3.61 states that there is a particular challenge in meeting the housing requirements of families in need of affordable accommodation, both social/affordable rented and intermediate (Policy 3.8B.b).

6.14 Paragraph 3.62 confirms that the he desired mix of provision for specific sites should be informed by evidence from sub regional/local housing market assessments and by the priorities set out in the local plan. However, it must be emphasised that local housing requirements should not be the single determinant of housing mix sought on individual developments. LP Policies 3.8, 3.11 and 3.12 expect boroughs to have regard to housing needs beyond their own boundaries when setting their affordable housing policies.

Affordable Housing and Viability SPG

1.12 Paragraph of the SPG provides guidance to ensure that existing policy is as effective as possible. It aims to provide a consistent approach across London, though it does not and cannot introduce new policy. The SPG's main aim is to increase the number of affordable homes delivered through the planning system.

1.13 Paragraph 13 of the Executive Summary states that The Mayor's preferred affordable housing tenure mix includes a range of products to meet different needs – principally low cost rented accommodation to meet general needs, and London Living Rent and shared ownership to meet intermediate needs.

1.14 Paragraph 1.7 of the SPG states that plans adopted post-NPPF should be considered viable - negotiations to reduce obligations based on site specific viability considerations should only be

necessary where the site circumstances suggest exceptional or abnormal costs that will make policy compliance unviable.

- 1.15 Paragraph 2.8 states the percentage of affordable housing in a scheme should be measured by habitable rooms to ensure that a range of sizes of affordable homes can be delivered, including family sized homes, taking account of local mix policies and having regard to site specific circumstances. Habitable rooms in affordable and market elements of the scheme should be of comparable size when averaged across the whole development. If this is not the case, then it may be more appropriate to measure the provision of affordable housing using habitable floorspace. Applicants should present affordable housing figures as a percentage of total residential provision by habitable rooms, by units, and by floorspace to enable comparison.
- 1.16 Paragraph 2.9 states that some schemes are only suitable for the Viability Tested Route due to the need to have viability information to assess the application. This includes applications which involve demolition of existing affordable housing (in particular estate regeneration schemes).

'Viability Tested Route': Applications that do not meet the 35 Per Cent Threshold

- 1.17 Where an application does not meet the threshold level, a viability assessment should be submitted in a standardised and accessible format with full supporting evidence to substantiate the inputs and assumptions used.
- 1.18 All applicants should explore the use of grant and other public subsidy to increase the level of affordable housing.
- 1.19 Where permission is granted, review mechanisms should be applied to these developments to ensure that if there is an improvement in viability, this contributes to the delivery of the maximum reasonable amount of affordable housing up to 50 per cent.
- 1.20 To ensure an applicant fully intends to build the permission, an Early Stage Viability Review will be triggered if an agreed level of progress on implementation is not made within two years of the permission being granted or as agreed with the LPA. This will result in additional onsite affordable housing in the event that viability has improved since the application stage.
- 1.21 A Late Stage Review will be required on all developments which follow the Viability Tested Route at the point at which 75 per cent of units are sold or let. This will result in a financial contribution for additional affordable housing provision in the event that viability has improved since the application stage.
- 1.22 For longer-term phased schemes it may also be appropriate to secure mid-term reviews prior to implementation of later phases and an updated Early Stage Review in the event that a scheme stalls for a period of 12 or more months following an Early Stage Review.

Tenure

- 1.23 Paragraph 2.40 states that that preferred tenure split is for schemes to deliver:

- at least 30 per cent low cost rent (social rent or affordable rent). London Affordable Rent should be the default level of rent, and should be assumed by applicants in the absence of alternative guidance from LPAs on the rent levels that they consider to be genuinely affordable. An LPA may specify other levels of affordable rent they consider genuinely affordable, and the Mayor will generally expect this to be significantly less than 80 per cent market rent. These homes are to be made available as general needs or supported housing and allocated in accordance with the statutory allocations framework and established nominations agreements;
- at least 30 per cent as intermediate products, with London Living Rent (see definition below) and/ or shared ownership being the default tenures assumed in this category. For viability purposes, London Living Rent homes in mixed-tenure schemes can be treated similarly to shared ownership, as it can be assumed that they will be sold on a shared ownership basis after a period of ten years; and
- the remaining 40 per cent to be determined by the LPA taking account of the relevant Local Plan policy. Applicants should consider local policies and consult with LPAs to determine the relevant approach.

1.24 Paragraph 2.41 states that, if assessing a scheme under the Viability Tested Route the evidence demonstrates that the threshold cannot be met, the preferred tenure split should be considered as the starting point for negotiations, but it will be for the LPA, and the Mayor where relevant, to decide if a different tenure mix could support a greater number of affordable homes.

Affordability of Other Intermediate Products

1.25 Paragraph 2.49 states that, for shared ownership properties, to ensure mortgage costs assumptions are reasonable, boroughs, developers and Registered Providers are advised to assume buyers will access a repayment mortgage, with a term of 25 years and a 90 per cent loan to value ratio. The prevailing average interest rate being offered to lenders based on the terms above should be used to calculate the monthly payments. Generally shared ownership is not appropriate where unrestricted market values of a home exceed £600,000.

Loss of Existing Affordable Housing (Including Estate Regeneration)

1.26 Paragraph 2.66 of the SPG states that the Mayor expects existing affordable housing to be replaced on a like-for-like basis, meaning that, for example, homes at social rent levels should be replaced with homes at the same or similar rent levels, or that specialist types of affordable housing should be replaced with the same type of housing. The Fast Track Route does not apply in these circumstances, and all estate regeneration schemes should follow the Viability Tested Route to deliver the re-provision of the existing affordable floorspace on a like-for-like basis and maximise additional affordable housing.

Draft Good Practice Guide to Estate Regeneration

- 1.27 The Draft Good Practice Guide to Estate Regeneration sets out key principles to be followed in all regeneration projects. The final guide was due to be published in Summer 2017, though this has not yet been released.
- 1.28 The Guide states that the Mayor believes that for estate regeneration to be a success, there must be resident support for proposals, based on full and transparent consultation. These proposals should offer full rights to return for displaced tenants and a fair deal for leaseholders, and demolition should only be followed where it does not result in a loss of social housing, or where all other options have been exhausted.

Ensuring No Loss of Affordable Housing

- 1.29 Chapter 1, Paragraph 9 states that the Mayor believes that, where demolition and rebuilding is chosen as part of an estate regeneration, this should only happen where it does not result in a loss of social housing, or where all other options have been exhausted. This principle will apply to estate regeneration projects that seek new funding from the GLA.
- 1.30 Paragraph 10 confirms that, even where GLA funding is not involved, current London Plan policy states that the loss of affordable housing should be resisted unless it is replaced with better quality homes at existing or higher densities with at least the equivalent amount of floor space (see Appendix). The Mayor will continue to apply this approach when considering planning applications for estate regeneration projects. The policy will be reviewed as part of the development of his new London Plan, the draft of which was published on the 29 November 2017.
- 1.31 Chapter 1 outlines Good Practice in the Aims and Objectives of Estate Regeneration:
- Set out the aims and objectives of the estate regeneration project transparently and clearly;
 - Ensure residents and other stakeholders have meaningful and early opportunities to shape proposals;
 - Consider the most appropriate combination of physical interventions to achieve the agreed aims of regeneration, including repair and refurbishment, investment in public realm, infill and intensification, demolition and rebuild;
 - Where demolition and rebuilding is chosen as part of an estate regeneration, this should only happen where it does not result in a loss of social housing, or where all other options have been exhausted;
 - Look to improve the appearance of estates and their relationship with the surrounding area;

- Proactively monitor the impacts and outcomes of regeneration, seeking to involve residents where possible.

Harrow Core Strategy

Core Policy CS 1: Overarching Policy

- 1.32 I. New residential development shall result in a mix of housing in terms of type, size and tenure across the Borough and within neighbourhoods, to promote housing choice, meet local needs, and to maintain mixed and sustainable communities. This includes the provision of a range of affordable housing tenures including social and affordable rent, as well as intermediate housing products such as shared ownership and shared equity.
- 1.33 J. The Council will aim for a Boroughwide affordable housing target of 40% of the housing numbers delivered from all sources of supply across the Borough between 2009 and 2026. The Council will seek the maximum reasonable amount of affordable housing on all development sites with a capacity to provide ten or more homes (gross), having regard to:
- the availability of public subsidy;
 - the need to promote housing mix and choice (see Policy CS1 I);
 - the priority accorded to family affordable housing in both the London Plan and the Council’s Housing Strategy;
 - the size and type of affordable housing needed in particular locations;
 - the site circumstances and other scheme requirements;
 - development viability; and
 - the need to meet the 40% boroughwide target.

Core Policy CS 3: Harrow on the Hill and Sudbury Hill

- 1.34 J. The Council will support proposals which achieve physical renewal and estate regeneration objectives at Grange Farm.

Development Management Policies

Policy DM 24: Housing Mix

- 1.35 A. Proposals that secure an appropriate mix of housing on site and which contribute to the creation of inclusive and mixed communities will be supported. The appropriate mix of housing will be determined having regard to:

- a. the target mix for affordable housing, set out in the Council's Planning Obligations supplementary planning document;
- b. the priority to be afforded to the delivery of affordable family housing; and
- c. the location of the site, the character of its surroundings and the need to optimise housing output on previously-developed land.
- d. Proposals that would fail to achieve an appropriate housing mix, or which would fail to contribute to the creation of inclusive and mixed communities, will be refused.

Planning Obligations SPD

Mix of Units for Affordable Housing

Social/Affordable Rent Housing

1.36 The priority is for 2 bedrooms and family sized housing (i.e. 3 bedroom+) and therefore the following target mix and occupancy levels will be applied and updated periodically where appropriate:

- 1 bed 2 person – 12%
- 2 bed 4 person – 48%
- 3 bed 5-6 persons – 28%
- 4 bed 6-8- persons -7%
- 5 bed 9-10 persons – 5%

6.15 The Council's approach is to seek to achieve this mix on every development site, except on sites capable of providing a higher proportion of family housing.

Intermediate Housing

1.37 The following target mix and occupancy levels will be applied:

- 1 bed – 20%
- 2 bed – 50%
- 3 bed – 20%
- 4 bed – 10%

7.0 Compliance with Policy

- 7.1 The proposed development seeks to reprovide the existing social housing in an integrated development with market sale housing. A total of 574 new homes are proposed, comprising of 241 affordable units and 333 private units.
- 7.2 The scheme will be delivered in three phases. The first phase will comprise entirely affordable housing units, based on the decant strategy, and comprises a total of 89 units, 68 of which will be social rent units, and 21 will be shared ownership. The second phase will provide circa 244 units, 86 of which will be social rent units and 158 will be private sale. The third phase will provide circa 241 units in total, comprising of 62 social rent units, 4 shared ownership units and 175 private sale units.
- 7.3 The development will increase the overall supply of housing within London by 292 units, a 50% plus increase in density. The supply of affordable housing units is increased when measured with regard to habitable rooms and floorspace the maximum amount of affordable housing has been provided, as demonstrated by the Affordable Housing Viability Assessment.
- 7.4 As set out in the previous section of this Statement, Paragraph 2.66 of the Affordable Housing and Viability SPG states that the Mayor expects existing affordable housing to be replaced on a like - for-like basis, “*for example*”, both in terms of replacing affordable housing at the same or similar rent levels or that specialist types of affordable housing should be replaced with the same type of housing. The SPG further calls for “*all estate regeneration schemes should follow the Viability Tested Route to deliver the re-provision of the existing affordable floorspace on a like-for-like basis and maximise additional affordable housing.*” As indicated by the table below, the amount of social rented floorspace will increase from 15,672 sqm to 15,709 sqm, thereby demonstrating replacement of existing social rent floorspace as well as providing additional affordable housing in the form of Shared Ownership. The SPG specifically refers to the re-provision of affordable floorspace, and therefore the proposed development is compliant with the SPG in this respect.
- 7.5 Although the table below indicates that the proposed development will result in a reduction in social rented provision in terms of the total number of units (as well as bedspaces and habitable rooms), it does replace Social Rent units on the basis of a slight increase in floorspace. This is the result of the proposed social housing provision being based on the need to accommodate the requirements of existing residents with larger families who are currently accommodated in smaller overcrowded units, the need to provide a different mix to better meet future accommodation needs, including the need for larger family homes for social rent, the need for wheelchair adapted and adaptable housing, equity share options for existing resident leaseholders and shared ownership for those unable to access market housing.

	Total Units	Total Floorspace (m ²)	Total Bedspaces	Total Habitable Rooms
Existing Site	282	18108	926	749
Existing Social Rent	253	15672	822	668
Proposed Social Rent	216	15709	758	627
Proposed Shared Ownership	25	1611	74	53
Affordable Housing	241	17320	832	680
Proposed market units	333	22825	1089	895
Total new units	574	40145	1921	1575

- 7.6 Existing tenants who have expressed a desire to remain on the estate will be offered the size of accommodation appropriate to their current housing need in accordance with the London Borough of Harrow's housing policy for Grange Farm as set out in the Residents Charter. Existing tenants who are under-occupying will be able to move to a property of same size as their existing home unless they elect to downsize.

8.0 Conclusion

- 8.1 The proposed development and the provision of affordable housing is consistent with the national, regional and local policy requirements. Affordable housing has been provided at the maximum possible level as demonstrated by the Viability Assessment. With 43% of the homes to be provided being affordable, the requirements of the Harrow Local Plan Core Strategy have been exceeded and the rehousing needs of existing residents met.
- 8.2 The needs of existing social housing tenants on the site have been considered and has informed the unit mix on the site.
- 8.3 The proposal results in an increase in social housing floorspace to be re-provided, as well as further provision of affordable housing in the form of 25 shared ownership units.
- 8.4 A mix of unit types and sizes has been proposed, with a significant number of family units being provided to address the identified need for such units in the area.
- 8.5 The proposed development and the affordable housing units are to be of a high quality and will result in a significant improvement over the existing offering on the site.