

**Draft Revised Lambeth Local Plan  
Proposed Submission Version  
January 2020**

**Topic Paper 1:**

**Affordable Housing on Sites Providing  
Fewer than 10 Residential Units**

**December 2019**

  
**Lambeth**

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## **1. Introduction**

- 1.1 This note sets out the justification for the current Lambeth Local Plan 2015 and proposed Draft Revised Lambeth Local Plan policy of seeking financial contributions towards the delivery of affordable housing from sites providing fewer than 10 units (referred to in this note as minor sites). It assesses the national policy context and summarises the original and current justification and evidence base for the Lambeth policy, focussing on the significance of delivery of housing on minor sites, both in terms of meeting housing supply generally and through the generation of affordable housing contributions.

## **2. Policy Context**

### National Planning Policy and Guidance and implications for Policy H2(a)(ii)

- 2.1 The original NPPF (2012) did not address the issue of affordable housing contributions on minor sites. However, a Written Ministerial Statement (WMS) was issued by the Secretary of State for Communities and Local Government in November 2014 which introduced an exemption from contributions for sites of 10 units or fewer and National Planning Practice Guidance (PPG) was published to reflect this
- 2.2 In July 2015, the issuing of the WMS and PPG was successfully challenged through judicial review in the High Court; this judgement quashed the relevant parts of the PPG and the decision to introduce the policy in the ministerial statement. In May 2016 the Court of Appeal reversed that decision, holding that the Secretary of State was entitled to rely on the WMS. The PPG was amended accordingly.
- 2.3 The revised National Planning Policy Framework published in July 2018 (and updated in February 2019) states in paragraph 63 that “Provision of affordable housing should not be sought for residential developments that are not major developments” (ie 10 or more dwellings). Planning Practice Guidance, last updated in September 2019, states that “Planning obligations for affordable housing should only be sought for residential developments that are major developments”, and that “[Community Infrastructure] levy is the most appropriate mechanism for capturing developer contributions from small developments” (Paragraph: 023 Reference ID: 23b-023-2019090).
- 2.4 While the NPPF is a material consideration of significant weight, it does not in itself take precedence over the adopted development plan, and it is for decision-makers to determine the relative weight given to each.

### Lambeth Local Plan Policy H2(a)(ii)

- 2.5 The Lambeth Local Plan 2015 Policy H2(a)(ii) requires a financial contribution towards the delivery of off-site affordable housing on all sites where the development is providing fewer than 10 residential units. The formula for calculating the contribution required for minor sites is set out in Annex 10 of the Plan. It is  $A-B=C$ , where A is the value of the development if there were to be 100% market housing. B is the value of the development that would otherwise be achieved if it included affordable housing in line with the Council’s 40% policy target and C is the level of payment in lieu.
- 2.6 The amount of contribution payable is subject to viability, tested on a case-by-case basis. If it is demonstrated to the satisfaction of the Council that the payment required for a policy-

compliant level of affordable housing would render the scheme unviable, then a lower level payment is required (as much as is viable to provide).

- 2.7 Calculations are carried out using a 'toolkit', which is based on a model devised for the Council by BNP Paribas Real Estate. The rationale behind this model is set out in the document 'Approaches to Securing Payments in Lieu of On-site Affordable Housing' (March 2013).
- 2.8 This approach was introduced in the Lambeth Local Plan 2015 Policy H2(a)(ii). The Local Plan went through examination in 2014-2015 and the Inspector's report found the plan, including Policy H2, sound and it was adopted on 23 September 2015. In relation to Policy H2, the inspector comments in paragraph 66 of her report "whilst representors had raised concerns regarding the viability of this policy, that matter is addressed in the Council's viability evidence...[Part (a)(ii)] of policy H2 is adequately justified by the evidence and has been the subject of consultation during the draft and submission stages of the Plan. It is in accordance with the Framework's advice to set policies for affordable housing to meet need in the area".
- 2.9 The Council's justification for this policy was set out in a topic paper published alongside the draft Local Plan (Topic Paper 1 Housing November 2013). In summary, the justification was three -fold:
1. The level of need for affordable housing in the borough is very significant, as set out in the local Housing Needs Assessment.
  2. Sites with fewer than 10 units make a significant contribution to the overall supply of housing in the borough
  3. Analysis of viability demonstrates that contributions to affordable housing from sites with fewer than 10 units would be viable in principle alongside the Community Infrastructure Levy (CIL) rates set out in, what was at that time, Lambeth's CIL Preliminary Draft Charging Schedule, and Mayoral CIL.

This policy was in general conformity with the then London Plan 2011, subsequently updated to London Plan 2016 (consolidated with alterations) which required boroughs to maximise delivery of affordable housing (policy 3.12) and encouraged boroughs to seek a lower than 10-unit threshold for affordable housing where this can be justified (policy 3.13).

- 2.10 The supporting viability evidence for the Local Plan (Draft Lambeth Local Plan 2013 Viability Study, BNP Paribas Real Estate, February 2013) states that "most small schemes would be able to viably absorb a financial contribution in lieu of on-site affordable housing. Clearly this requirement can be applied flexibly, having regard to individual site circumstances and viability of the proposed development." This document underwent examination, along with the Topic Paper on Housing which set out the evidence that the proposed approach was based on. This included the document 'Approaches to Securing Payments in Lieu of On-site Affordable Housing' (BNP Paribas Real Estate March 2013) which recommended the approach used in policy H2(a)(ii), the formula set out in Annex 10 of the Local Plan, and an example of the 'toolkit' model used to calculate affordable housing contributions.

## Draft Revised Lambeth Local Plan Policy H2(a)(iv)

- 2.11 The Draft Revised Lambeth Local Plan Proposed Submission Version (DRLLP PSV) 2020 proposes to carry forward the current adopted policy approach. The viability of the policy has been assessed in the Local Plan and Community Infrastructure Levy Viability Review December 2019 but viability will continue to be tested on a case-by-case basis. The same formula and toolkit would therefore be applied (See DRLLP PSV Annex 10). The DRLLP PSV is intended to be in general conformity with the London Plan Intend to Publish Version 2019. This encourages boroughs to require affordable housing contributions from developments of nine or fewer units where supported by local evidence (paragraph 4.2.12).

### **3. History of decision-making in Lambeth**

- 3.1 Prior to the introduction of Local Plan Policy H2(a)(ii) in September 2015, the Core Strategy (January 2011, Policy S2(c)) and before that the Unitary Development Plan (August 2007, Policy 16(a)) both sought affordable housing only from sites of 10 units or more, or at least 0.1ha in size.
- 3.2 Following the High Court ruling in May 2016, during May and June 2016 planning inspectors ruled against Lambeth's application of Local Plan Policy H2(a)(ii) in 5 separate appeals, concluding that government policy in the WMS and the associated guidance in PPG relating to planning obligations outweighed the requirements of Policy H2. As a result, from August 2016 this assessment of the weight of the WMS and PPG on this matter relative to the adopted policy was applied to decision-making in Lambeth. Therefore, contributions were not sought after that time.
- 3.3 However, in October 2017 the council took a different view having further reviewed the evidence of affordable housing need in Lambeth (Lambeth SHMA October 2017), and the high proportion of housing delivered on minor sites. A note entitled 'Lambeth Local Plan Small Sites Affordable Housing Policy: considerations for planning decision makers' was published in October 2017 (included at Appendix 2). On the basis of this evidence, the view was taken from this point onwards that while national policy and guidance were material considerations, they did not outweigh adopted development plan policy. This view did not change at the time of the publication of the revised NPPF in July 2018 (and its subsequent update in 2019).
- 3.4 Since August 2018, planning inspectors have ruled in favour of Lambeth's application of Local Plan Policy H2(a)(ii) in 17 separate appeals, concluding that national planning policy and guidance was outweighed by the Local Plan due to evidence of considerable local need for affordable housing and the contribution minor sites make to meeting this need. Details of these decisions are set out in Appendix 1.

#### **4. Affordable housing need in Lambeth**

- 4.1 There is an acute shortage of affordable housing across London (see GLA SHMA 2017) and local evidence demonstrates the need for affordable housing in Lambeth remains very high also. Evidence on affordable housing need in Lambeth is set out in the Lambeth SHMA 2017, prepared in accordance with the requirements and methodology in the national Planning Practice Guidance. This assesses household incomes against housing costs and takes account of the stock and pipeline of affordable units in the borough and of backlog need. The result is an identified need of between 1,047 and 1,573 net additional affordable homes per annum. This makes up between 78% and 118% of the overall 1,335 dpa housing delivery target for Lambeth. Clearly these levels of affordable housing are not deliverable through the planning system, which must take account of development viability. Viability testing of policy thresholds both London-wide and in Lambeth finds the 35% threshold (50% on public sector land) for major developments is deliverable in a majority of scenarios.
- 4.2 The SHMA finds that 62% of Lambeth's households have an annual income of £40,000 or less and that 22% of households have an income of less than £20,000 a year. In June 2017, the median household income per annum in Lambeth was £33,280 and the mean household income was £39,986. There is therefore a very heavy concentration of households in lower income bands. This helps explain why, in March 2016, over 27% of all households in the borough were claiming some form of housing-related benefit. Of these claimants, a significant proportion (32% in the social rented sector and 47% in the private rented sector) were claiming Partial Housing Benefit/ Allowance, which demonstrates the level of need among households on low to medium incomes for either affordable housing or a level of housing-related assistance to access market housing.

#### **5. Delivery analysis**

- 5.1 This section of the note looks at the contribution of minor sites to housing supply generally and the delivery of affordable housing in Lambeth on sites with fewer than 10 units, covering the period April 2009 to March 2019.
- 5.2 The data relating to the contribution of minor sites to delivery of affordable housing in Lambeth will reflect the fact that while Local Plan Policy H2(a)(ii) has been in place for over four years, national policy and planning practice guidance were in a state of flux for much of that time, as noted above, which will have fed through into the consideration of individual applications.

##### Approvals and completions on minor sites

- 5.3 Sites providing fewer than 10 units make a significant contribution to Lambeth's housing supply, in both the number of schemes approved and completed. Table 1 below shows the number of net additional dwellings<sup>1</sup> approved between April 2009 and March 2019. Figures only include homes approved on schemes where affordable housing can be sought. Permitted development and Lawful Development Certificates are not included, nor schemes involving a net loss of residential dwellings to other uses.
- 5.4 During the ten-year period April 2009 to March 2019, an average of 17.2% of units approved were on schemes with 1-9 proposed units – accounting for a total of 2,689 net additional

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<sup>1</sup> 'Net' refers to the number of new housing units created minus any existing units lost, for example through demolition or change of use. 'Gross' is the total number of new units.

units. In some years the proportion of total units approved that came from minor sites was as high as 30%. It fell to 12.5% in 2014/15, but started to increase again from 2015/16, during which time the Lambeth Local Plan had been adopted. The proportion of units approved on minor sites was relatively low in 2018/19, but this is due to the approval of two particularly large schemes which together account for 69% of all units approved that year.

**Table 1 – Net Approvals by Scheme Size, 2009-2019**

Scheme Size (Proposed Units)	Fewer than 10 units		10 or more units		TOTAL
	Year of Approval	Number of units	% of total units	Number of units	
2009/10	222	29.5%	530	70.5%	752
2010/11	307	16.3%	1574	83.7%	1,881
2011/12	335	23.4%	1095	76.6%	1,430
2012/13	329	30.3%	758	69.7%	1,087
2013/14	381	17.0%	1858	83.0%	2,239
2014/15	372	12.5%	2593	87.5%	2,965
2015/16	206	18.8%	891	81.2%	1,097
2016/17	238	20.0%	954	80.0%	1,192
2017/18	159	14.8%	918	85.2%	1,077
2018/19	140	7.3%	1,768	92.7%	1,908
<b>Total</b>	<b>2,689</b>	<b>17.2%</b>	<b>12,939</b>	<b>82.8%</b>	<b>15,628</b>

Source: London Development Database

- 5.5 The proportion of units completed on minor sites is higher than the proportion of units approved on minor sites. Table 2 below shows that between April 2009 and March 2019, 22.2% of net additional completed units were on sites of fewer than 10 units, compared to 17.2% of approved units. In three years, more than a third of all completed units were on minor sites.

**Table 2 – Net Completions by Scheme Size, 2009-2019**

Completed Financial Year	Fewer than 10 Units		10 or more units		Total
	Number of Units	% of all units	Number of Units	% of all units	
2009/10	415	37.0%	708	63.0%	1,123
2010/11	88	6.8%	1,206	93.2%	1,294
2011/12	304	34.4%	581	65.6%	885
2012/13	149	25.6%	434	74.4%	583
2013/14	239	22.3%	833	77.7%	1,072
2014/15	241	19.0%	1,027	81.0%	1,268
2015/16	318	33.7%	626	66.3%	944
2016/17	268	23.5%	872	76.5%	1,140
2017/18	228	15.8%	1,218	84.2%	1,446
2018/19	151	14.1%	917	85.9%	1,068
<b>Total</b>	<b>2,401</b>	<b>22.2%</b>	<b>8,422</b>	<b>77.8%</b>	<b>10,823</b>

Source: London Development Database

### Implementation of permissions on minor sites

- 5.6 Over the last ten years, an average of 17.2% of all units approved were on schemes of fewer than 10 units. The proportion of all completed units that are on sites with fewer than 10 units is 22.2%, as set out in table 3 below. In most years, the proportion of units completed on sites with 1-9 units is higher than the proportion of units approved on sites with 1-9 units (see chart 1 below). This suggests that units in small schemes are more likely to be completed than those in larger housing developments approved. A total of 2,689 units were approved on sites of fewer than 10 units, and 2,401 were completed – a crude ‘implementation rate’ of 89%. For schemes of 10 units or larger, 12,939 units were approved and 8,422 were completed - an implementation rate of 65%.

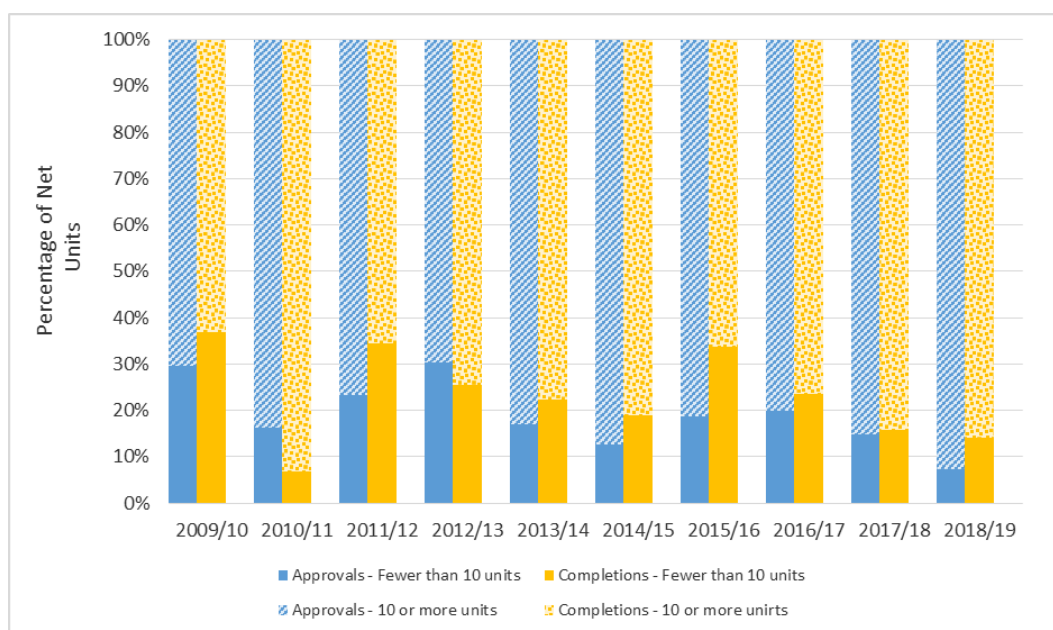
**Table 3 - Net Approvals and Completions on Sites of 10 Units or fewer**

Financial Year	Units approved on sites of fewer than 10 units	% of total units approved	Units completed on sites of 10 units or fewer	% of total units completed	Implementation Rate (completed units as a % of approved units)
2009/10	222	29.5%	415	37.0%	187%
2010/11	307	16.3%	88	6.8%	29%
2011/12	335	23.4%	304	34.4%	91%
2012/13	329	30.3%	149	25.6%	45%
2013/14	381	17.0%	239	22.3%	63%
2014/15	372	12.5%	241	19.0%	65%
2015/16	206	18.8%	318	33.7%	154%
2016/17	238	20.0%	268	23.5%	113%
2017/18	159	14.8%	228	15.8%	143%
2018/19	140	7.3%	151	14.1%	108%
<b>Total</b>	<b>2,689</b>	<b>17.2%</b>	<b>2,401</b>	<b>22.2%</b>	<b>89%</b>

Source: London Development Database



**Chart 1 - Net Approvals and Completions 2009-2019**



Source: London Development Database

5.7 Table 4 below shows the number of schemes of different sizes completed during the period April 2009 to March 2019. The vast majority (90.8%) of schemes completed in Lambeth are on sites with fewer than 10 units.

**Table 4 – Completions and Approvals by Scheme Size (Gross) 2009 to 2019**

Scheme Size (proposed no. of units)	Completed schemes				Approved schemes			
	No. of Schemes	No. of Units (proposed)	% of all schemes	Cumulative % of all schemes	No. of Schemes	No. of Units (proposed)	% of all schemes	Cumulative % of all schemes
1	316	316	26.1%	26.1%	417	417	30.3%	30.3%
2	279	558	23.0%	49.1%	311	622	22.6%	52.8%
3	205	615	16.9%	66.1%	179	537	13.0%	65.8%
4	92	368	7.6%	73.7%	94	376	6.8%	72.6%
5	45	225	3.7%	77.4%	52	260	3.8%	76.4%
6	41	246	3.4%	80.8%	48	288	3.5%	79.9%
7	23	161	1.9%	82.7%	25	175	1.8%	81.7%
8	34	272	2.8%	85.5%	52	416	3.8%	85.5%
9	62	558	5.1%	90.6%	66	594	4.8%	90.3%
10 or more	114	9,024	9.4%	100.0%	134	14,391	9.7%	100.0%
<b>Total</b>	<b>1,211</b>	<b>12,343</b>	<b>100%</b>	-	<b>1,378</b>	<b>18,076</b>	<b>100%</b>	-

Source: London Development Database

**6. Affordable Housing Contributions secured through Policy H2(a)(ii)**

- 6.1 The council has received £946,140 in financial contributions towards Affordable Housing from schemes of all sizes approved after 2015. Contributions from minor sites make up 34% of this amount. A total of £1,479,721 in financial contributions (Payments in Lieu of Affordable Housing) were secured from minor sites during 2018/19. This is equivalent to 28% of the total amount secured as Payments in Lieu of AH that year.

**Appendix 1: Appeal decisions since publication of NPPF 2018 finding in favour of Policy H2(a)(ii)**

<b>Site Address</b>	<b>Appeal Reference (Planning Reference)</b>	<b>Appeal Decision Date</b>	<b>Inspector's findings relating to Policy H2(a)(ii)</b>
Land adj 16 Beardell Street	APP/N5660/W/18/3192507 (17/05216/FUL)	14 Dec 2018	"...based on the Council's submitted evidence...the requirements of the Framework and the PPG would be outweighed by the requirements of LP Policy H2".
29 Winslade Road	APP/N5660/W/18/3198397 (17/03719/FUL)	13 Dec 2018	"...based on the evidence provided by the Council, it adequately justifies that in order to secure affordable housing provision on small sites to address affordable housing need; the appeal should be determined in accordance with the development plan, namely Policy H2 of the LLP."
282 Leigham Court Road	APP/N5660/W/18/3205413 (18/00135/FUL)	20 Dec 2018	"I see no reason to doubt the evidence for affordable housing in the Borough, and attach substantial weight to it, to the extent that I consider that it outweighs the requirements of national policy in this case. Therefore I find that the proposal should contribute to the Borough's affordable housing need in this case."
151 Wavertree Road	APP/N5660/W/18/3206605 (18/01657/FUL)	21 Dec 2018	"...although paragraph 63 of the Framework is a material consideration in the determination of this appeal which attracts great weight, it is not sufficient, in this instance, to outweigh the development plan policy supported by significant evidence."
133 Stockwell Road	APP/N5660/W/18/3211080 (18/01274/FUL)	28 Feb 2019	"I am unable to conclude that it has been adequately demonstrated that the appeal scheme could not reasonably provide any contribution towards affordable housing to accord with Policies D4, H2 and 3.11."
22 Tindal Street	APP/N5660/W/18/3208521 (17/05309/FUL)	22 Mar 2019	"I consider that the specific circumstances within this borough together with the policy of the development and is sufficient, in this case, to outweigh the guidance of the Framework."
34 Groveway	APP/N5660/W/18/3211970 (18/00232/FUL)	09 Apr 2019	"Having considered the evidence before me from the Council, I consider that their requirement for affordable housing contributions in relation to the proposed development are fully justified and necessary."
2-4 Lilford Road	APP/N5660/W/18/3209347 (18/00984/FUL)	10 Apr 2019	"... based on the evidence before me from the Council the requirement for a contribution from small sites has been sufficiently justified. Consequently, although a material consideration, the Framework, PPG and other guidance would not outweigh the policy requirement in this instance."
8 Greyhound Lane	APP/N5660/W/18/3218799 (18/02239/FUL)	08 May 2019	"... it has not been demonstrated by the appellant that the site cannot or should not make a contribution towards affordable housing as required by Local Plan Policy H2."

*Continued overleaf*

**Appendix 1 continued: Appeal decisions since publication of NPPF 2018 finding in favour of Policy H2(a)(ii)**

<b>Site Address</b>	<b>Appeal Reference (Planning Reference)</b>	<b>Appeal Decision Date</b>	<b>Inspector's findings relating to Policy H2(a)(ii)</b>
Ground Floor, 20 Milkwood Road	APP/N5660/W/18/3218316 (18/02703/FUL)	14 Aug 2019	"...although the Framework is a significant material consideration it would not outweigh policy H2."
Ground Floor, 130 Landor Road	APP/N5660/W/19/3231992 (19/00697/FUL)	03 Sep 2019	"Having regard to the evidence provided by the Council, I consider that the local circumstances in this case warrant determining the proposal based on the approach set out in the development plan, namely LLP Policy H2. Hence, the material consideration of the Framework does not outweigh the development plan in this instance."
Rear of 15 Kempshott Road	APP/N5660/W/19/3228852 (18/04814/FUL)	11 Sep 2019	"...although the Framework is a weighty material consideration, it would not outweigh the development plan in this instance. The appeal should be determined in accordance with the development plan, namely Policy H2 of the LLP."
49 Abercairn Road	APP/N5660/W/19/3227991 (18/04056/FUL)	29 Oct 2019	"Having regard to the information provided by the Council, I consider that the specific circumstances within this borough sufficiently justify that the appeal should be determined in accordance with the development plan, namely Policy H2 of the LLP and Policy 3.12 of the LP."
89 Effra Road	APP/N5660/W/19/3227258 (18/04510/FUL)	01 Nov 2019	"Taking into account the evidence before me, I consider that there is a pressing need for affordable housing in the area and that small sites play a key role in ensuring this provision. As such, in this case, I am satisfied that although considerable weight should be given to the Framework, it does not outweigh development plan policy."
8A Rozel Road	APP/N5660/W/19/3222333 (18/02070/FUL)	12 Nov 2019	"I consider that the specific circumstances within this borough together with the policy of the development plan are sufficient, in this case, to outweigh the guidance of the Framework. Accordingly, subject to financial viability matters, a contribution should be sought."
Pensbury Arms, 4 Pensbury Street	APP/N5660/W/19/3233103 (19/01292/FUL)	14 Nov 2019	"I am persuaded by the detailed and substantive evidence provided to me by the Council of an acute affordable housing shortage and the contribution provided by small sites". "... the existing policy should not be considered out of date simply because it pre-dates the Framework. Accordingly, I find that a contribution to affordable housing should be provided"

56 Madeira Road	APP/N5660/W/19/3234329 (19/01882/FUL)	2 Dec 2019	"...although paragraph 63 of the National Planning Policy Framework (the Framework) states that affordable housing should not be sought for residential developments that are not major developments other than in designated rural areas, and it is a material consideration in the determination of this appeal which attracts great weight, it is not sufficient, in this instance, to outweigh the development plan policy supported by significant evidence."
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## London Borough of Lambeth

### Lambeth Local Plan Proposed Submission Topic Paper 1 – Housing

November 2013

**1. Purpose of the topic paper**

- 1.1 This topic paper sets out the detailed justification and analysis of supporting evidence for the policies in the housing section of the Lambeth Local Plan Proposed Submission. It describes the alternative policy approaches considered and the reasons for the chosen approach, in light of the supporting evidence and comments received on the Draft Lambeth Local Plan in March to April 2013. This paper also explains how the Local Plan Proposed Submission addresses the requirements of the National Planning Policy Framework 2012 (NPPF), as these apply to housing.

**2. Maximising housing growth (Policies H1, H3)**

- 2.1 To boost significantly the supply of housing, the NPPF states that local planning authorities should, amongst other things, use their evidence base to ensure that their local plan meets the full, objectively assessed needs for market and affordable housing in the housing market area.
- 2.2 There is significant and pressing need and demand for new housing in Lambeth, evidenced by the 2012 Lambeth Housing Needs Assessment (HNA). With reference to the objectives set out in Lambeth's Housing Strategy 2012-16, the council will make full use of the borough's capacity for housing, promoting and supporting Lambeth as a place of housing growth.
- 2.3 The London Plan 2011 requires at least 11,950 net additional dwellings in Lambeth over the period 2011-21, with an annual target of 1,195. The council will, through policies in the Local Plan, seek to meet and exceed this target. This is supported by evidence of the supply of land for housing in the borough and regular monitoring of housing completions. The Lambeth Housing Implementation Strategy (February 2013) sets out the expected rate of housing delivery in Lambeth through a housing trajectory and demonstrates the five-year supply of housing land to meet the London Plan housing target.
- 2.4 The GLA has stated that it will issue Further Alterations to the London Plan 2011 early in 2014 and that this will include new London-wide and borough-level housing targets. These targets are expected to be significantly higher, in response to recently revised demographic projections and the on-going problem of unmet housing supply. The council has been working with the GLA on the evidence base for the emerging new borough-level housing target for Lambeth. However, the new target will not be finally agreed until adoption of the Further Alterations to the London Plan 2011 in 2015.
- 2.5 To address the implications of the new target once adopted (including any requirements for additional supporting infrastructure), the council proposes to undertake an immediate partial review of the Lambeth Local Plan after

## **Appendix 2: Topic Paper 1: Housing (November 2013)**

its adoption in 2015. Analysis of the issues, and options for addressing them, will start as soon as the proposed new target is made known later in 2013.

- 2.6 In order to update the evidence base for the Further Alterations to the London Plan and to comply with the requirements of the NPPF, the GLA is producing a new Strategic Housing Market Assessment (SHMA), which will provide estimates of London's future housing requirements. To provide evidence of future housing capacity the GLA is also currently undertaking a new Strategic Housing Land Availability Assessment (SHLAA) in partnership with the London boroughs. The London SHMA and SHLAA are expected to be published in January 2014, alongside the Further Alterations.
- 2.7 The London SHMA will provide estimates of London's future housing requirements at London-level only, with boroughs advised to continue with sub-regional or local SHMAs as appropriate. An update of the evidence of housing need in Lambeth will therefore be commissioned as soon as the London SHMA is published, to ensure that it is up to date in relation to new population projections and unconstrained by the existing housing target. This will ensure consistency in the evidence and compliance with the requirements of the NPPF, in order to inform the early review of the Lambeth Local Plan in 2015.

### **3. Delivering the homes Lambeth needs (Policies H2, H4, H6-H10)**

- 3.1 The successful delivery of new homes is not just about increasing the number of units built. It is also about ensuring growth contributes positively to the creation of mixed, inclusive and sustainable communities and delivers high-quality, well-designed homes and neighbourhoods. A range of housing in terms of dwelling size, type and affordability is central to achieving mixed communities, and ensuring areas are attractive to people of different ages, lifestyles and incomes. Neighbourhoods must also be supported by accessible local services that reflect the needs of existing and future populations, support the health, social and cultural well-being of communities, and facilitate social interaction. The policies in the Local Plan seek to ensure that both small and large-scale residential development contributes to the creation of communities that are mixed and balanced by tenure and household income, promote social diversity, equality and inclusion, and foster a sense of community and neighbourhood identity. The policies and associated housing design standards also promote the delivery of high-quality, sustainable homes that meet the needs of those who will live in them.
- 3.2 To deliver a wide choice of high-quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities, the NPPF states that local planning authorities should:



## **Appendix 2: Topic Paper 1: Housing (November 2013)**

- plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community;
  - 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.
- 3.3 Underpinned by local evidence, the Local Plan seeks to deliver a wide choice of high-quality homes meeting the range of local housing needs. This is expanded upon below.

### **Affordable housing (Policy H2)**

- 3.4 While all tenures will make an important contribution to meeting housing need, the council is committed to maximising the delivery of affordable housing wherever possible. There is an urgent need for more affordable housing in Lambeth, especially for families. Lambeth's Housing Strategy identifies maximising the delivery of affordable housing as a key priority.
- 3.5 The local Housing Needs Assessment 2012 (HNA) identifies an overall housing requirement across all tenures of 23,900 homes, to 2031. Of this, 70 per cent is a need for affordable housing.
- 3.6 Through the Lambeth Core Strategy 2011 (and prior to that the Lambeth Unitary Development Plan 2007) the council seeks 50 per cent affordable housing where public subsidy is available, or 40 per cent without public subsidy, subject to viability. The policy applies to sites 0.1ha or greater in size and to sites capable of accommodating 10 or more homes. This policy has been effective in delivering affordable housing in the borough (ref. Lambeth Housing Development Pipeline Reports and Housing Implementation Strategy 2013). Alternative policy approaches, including revising the target and/or varying the percentage sought in different parts of the borough, were considered. However, recognising that the scale of housing need in Lambeth is high and is projected to grow (as evidenced by the Lambeth HNA), the current target has been retained in the Lambeth Local Plan Proposed Submission. This approach was supported by the findings of the viability assessment undertaken by BNP Paribas Real Estate, discussed below, and the Sustainability Appraisal.

## **Appendix 2:** Topic Paper 1: Housing (November 2013)

- 3.7 The policy was tested and supported by an assessment of the viability impacts of the emerging affordable housing planning policy requirements and an assessment of the cumulative impact of policy requirements and proposed CIL rates. The assessments were undertaken by BNP Paribas Real Estate and the results published in two reports: 'Affordable Housing Policy – Viability and Strategy Assessment 2013' (February 2013) and; 'Draft Lambeth Local Plan 2013 – Viability (February 2013)'.
- 3.8 In the context of finite development value, council is seeking to strike an appropriate balance between securing the maximum possible contribution towards affordable housing, whilst also securing contributions towards infrastructure that will be essential for growth. The 'Draft Lambeth Local Plan 2013 – Viability Study' tested the ability of sites to absorb the emerging policy requirements, including CIL, S106 obligations and affordable housing. This assessment of the cumulative impact of the council's requirements was undertaken in line with the requirements of the NPPF and the Local Housing Delivery Group guidance 'Viability Testing Local Plans: Advice for planning practitioners' (June 2012).
- 3.9 The study demonstrates that in many cases schemes can accommodate the affordable housing requirement at a level somewhere between 20 per cent and 40 per cent without grant. While, when the cumulative effect of affordable housing and CIL was tested on developments some schemes were able to accommodate less affordable housing in certain scenarios that were tested, the viability study confirmed that the council's flexible approach to application of its affordable housing targets will ensure the viability of developments is not adversely affected over the economic cycle. Given the nature of CIL as a fixed tariff, the level of affordable housing will reduce to accommodate infrastructure requirements in some cases.
- 3.10 Viability testing is central to the policy. Policy H2 seeks to secure the maximum reasonable proportion of affordable housing from sites, without compromising development viability. Policy H2 acknowledges that site-specific circumstances may arise and sets out the council's approach of seeking a detailed and robust financial statement where affordable housing targets cannot be met.

### *Review mechanisms*

- 3.11 The policy includes provisions for re-appraising the viability of schemes where sub-policy levels of affordable housing are provided. This is in order to capture any up-lift in value due to a delayed planning implementation and/or a phased build out of a major scheme, to take account of economic uncertainties, and in respect of schemes presently anticipated to deliver low levels of affordable housing.

## Appendix 2: Topic Paper 1: Housing (November 2013)

### *Affordable housing tenure*

- 3.12 The London Plan 2011 sets a strategic target of 60 per cent social rented housing and 40 per cent intermediate housing across London. Within this context, each borough is expected to set its own targets. Borough policies must be in general conformity with the London Plan but variations in the approach can be taken where local authorities have sound evidence that it is justified by local circumstances.
- 3.13 The HNA shows that 96 per cent of total affordable housing need in Lambeth is a requirement for social rented housing, with four per cent a requirement for intermediate affordable housing. Consideration was given to aligning the tenure split with the London Plan. However, on the basis of the findings of the recent Lambeth HNA, whereby social rented accommodation represents a higher proportion of the overall need for affordable housing in Lambeth, the Local Plan Proposed Submission retains the existing (Core Strategy) policy requirement of 70 per cent rented and 30 per cent intermediate affordable housing. Although the HNA indicates a relatively low level of need for intermediate housing, principally because the households these products are aimed at can generally afford to access private rented housing, intermediate housing plays an important role in ensuring mixed communities and providing a greater range of housing options to residents.
- 3.14 In October 2013 the Mayor published for consultation Revised Early Minor Alterations (REMA) to the London Plan. The REMA introduce alterations to the London Plan that reflect changes to national planning policy brought in by the NPPF, and respond to other developments since the plan's publication in 2011, such as the inclusion of the affordable rent product. Among other things, the alterations clarify that the affordable rent product is intended to address the same housing needs as social rented housing and as such, for the purposes of the 60:40 social rent / intermediate split in the 2011 London Plan, both social rent and affordable rent should be included within the 60 per cent. In Lambeth, 70 per cent of new affordable housing units should be homes for social or affordable rent, and 30 per cent intermediate provision.
- 3.15 The affordable rent model will have a key role in delivering the council's objectives to promote housing growth and increase the supply of affordable housing. However, analysis of rental levels across the borough demonstrates that rents set at 80 per cent of market rent will be unaffordable to most households currently eligible for social rented housing in Lambeth. The council is concerned to ensure that rents are genuinely affordable and will work with registered providers towards this objective. The Local Plan Proposed Submission gives priority to the delivery of affordable housing at rental levels that meet the needs of low income households within the borough, consistent with the council's

## Appendix 2: Topic Paper 1: Housing (November 2013)

- position statement on affordable rent set out in Lambeth's Tenancy Strategy (July 2012).
- 3.16 The NPPF requires local planning authorities to set policies to meet identified need on-site, *"unless off-site provision or a financial contribution...can be robustly justified"*. The London Plan REMA give clear preference to on-site affordable housing provision, with off-site provision and cash in lieu contributions accepted only in exceptional cases.
- 3.17 In line with the London Plan, Policy H2 in the Local Plan Proposed Submission addresses the sequential approach to seeking affordable housing provision from new development. The policy requires that affordable housing is provided on site; where this cannot be practically achieved, or it would be more effective in meeting needs for affordable housing, off-site affordable accommodation provided by the developer may be accepted; exceptionally, a payment in lieu may be accepted. The revised Section 106 Planning Obligations supplementary planning document will specify how this commuted sum will be calculated.
- 3.18 In developing Policy H2, consideration was given to: (a) requiring affordable housing provision to be delivered only on site; and (b) giving greater flexibility to allow off-site provision to be delivered anywhere in the borough. However, option (a) would deliver a lower proportion of affordable housing on some sites. While option (b) may deliver a higher quantum of units, it has the potential to undermine policy to secure mixed and balanced communities. To address this, the draft policy stated that the site identified for off-site provision should be located within 400 metres of the principal site.
- 3.19 The approach to affordable housing provision is largely retained from the draft Local Plan. While comments received on the draft Local Plan were generally supportive in principle of the sequential approach to affordable housing provision set out, a number of concerns were raised regarding the requirement for sites to be located within 400m of the principal development site – stating that this is too inflexible and would hinder deliverability. After further consideration, the distance requirement for off-site affordable housing provision has been revised from 400 metres to within one mile of the principal site.
- 3.20 The proposed approach is in line with national and London Plan policy, will deliver a higher quantum of affordable housing, and supports the council's objectives of promoting successful mixed and sustainable neighbourhoods.
- Affordable housing contributions from small sites*
- 3.21 The Local Plan Proposed Submission introduces a new affordable housing requirement from small schemes. Given the level of need in the borough,

## Appendix 2: Topic Paper 1: Housing (November 2013)

as demonstrated by Lambeth's HNA, the council wishes to deliver as many affordable homes as possible. Small sites make a significant contribution to housing supply in Lambeth (ref. Lambeth Housing Development Pipeline Reports). The council's 'Affordable Housing Viability Assessment' (October 2009) concluded that "*some smaller schemes on high value sites might be able to make a contribution towards on-site affordable housing*", although recognising that viability is sensitive to many factors.

- 3.22 There are practical difficulties associated with securing affordable housing on site on smaller schemes. However, commuted sums from such developments could make a significant contribution to the provision of affordable housing.
- 3.23 BNP Paribas Real Estate was commissioned by the council to advise on potential approaches to securing payments in lieu of on-site affordable housing on smaller developments (sites of fewer than 10 units). The study evaluates approaches to securing payments in lieu adopted by other authorities and considers how these might be applied in Lambeth. It tests three approaches on a notional development, to consider which one delivers the optimum outcome, and develops an approach for Lambeth that builds on the best aspects of each. The report, 'Approaches to securing payments in lieu of on-site affordable housing' (BNP Paribas Real Estate, March 2013) is published on the council's website.
- 3.24 The approach recommended in the report, and being taken forward by the council, is the use of a model capable of determining both (a) the viable level of affordable housing a scheme can absorb and (b) the payment in lieu that would flow from this level. Where the policy target would make a development unviable, the affordable housing percentage would be adjusted downwards until the scheme becomes viable.
- 3.25 Contributions will, as with those collected for larger development schemes, be used to deliver affordable housing that is necessary for the borough. Seeking a contribution for off-site affordable housing provision is justified by the London Plan (2011) (Policy 3.12; para. 3.77). The approach is also consistent with the requirements set out in the NPPF and CIL Regulations.

### **Family-sized homes (Policies H4, H6)**

- 3.26 The HNA identifies a shortfall in homes of all sizes across all tenures in Lambeth. Based on absolute numbers, the greatest shortfall is for smaller homes (one and two-bedroom), to meet substantial projected growth in smaller households. However, housing needs must also be considered in the context of relative need, particularly for social rented and affordable rented housing.

## Appendix 2: Topic Paper 1: Housing (November 2013)

3.27 The HNA notes that while there is an identified shortfall in affordable homes of all sizes in terms of meeting the housing needs of priority groups, the shortage relative to supply is likely to be greatest for larger (three-bedroom plus) family homes. The reasons for this are summarised in the report, as follows.

- Most households who require a one-bedroom property are in a relatively low level of need and are generally adequately housed, whereas many who require family-sized accommodation are not adequately housed, often living in very overcrowded conditions.
- Some of the need identified for one-bedroom properties will be met through the private rented sector and for many single people house-shares will provide an adequate alternative to one-bed accommodation.
- The introduction of a benefit cap from April 2013 as part of the government's wider welfare reform measures will further impact on the affordability of accommodation in the private rented sector, with larger households (mainly families with children) predicted to face the most serious difficulties in paying their rent. Initial modelling indicates that private rented sector housing with three or more bedrooms in Lambeth will be unaffordable to people on benefits.
- The model works on the presumption that all of the new housing required will be built; however in reality it is unlikely that the level of affordable completions could be raised sufficiently to meet all identified need over the period of Lambeth's housing strategy or its local plan. Furthermore, the figures derived through the assessment relate to a twenty-year period. The significant requirement for smaller units identified is largely attributed to the projected growth in smaller households over the longer term.

3.28 Taking these factors into account the Local Plan Proposed Submission prioritises future provision towards larger, family-sized accommodation in the short to medium term, to ensure those in most acute need can be housed. This approach is supported by the HNA and the South West London SHMA, which similarly recommends that the production (and preservation) of larger homes should be prioritised, both through investment and planning policy. This is consistent with the priority given to family-sized homes in Lambeth's Housing Strategy and the strategic priority accorded to the provision of affordable family housing in the London Housing Strategy and the London Plan. The London Housing Strategy (2010) sets out a strategic target that 42 per cent of social rented and 16 per cent of intermediate homes should have three bedrooms or more. The revised London Housing Strategy, published for consultation in December 2011, sets a strategic target for 36 per cent of new affordable rented homes to be family-sized.

## **Appendix 2: Topic Paper 1: Housing (November 2013)**

- 3.29 To ensure new developments deliver homes that meet priority housing need in Lambeth, and to provide certainty to developers as to the council's expectations, the Local Plan Proposed Submission specifies a preferred borough-wide housing mix for social / affordable rented and intermediate housing for developments providing 10 or more units, having regard to the findings of the HNA and other relevant considerations. The preferred mix will be monitored and reviewed over the lifetime of the plan.
- 3.30 The HNA indicates that 46 per cent of demand in the market sector is for properties with three or more bedrooms. Specifying a preferred mix to be sought from private market housing was considered, however there is concern that being overly prescriptive could have a negative impact in terms of housing delivery. The policy therefore seeks a mix of unit sizes, to include family-sized housing, without being prescriptive.
- 3.31 The conversion of houses to flats can have a significant impact on the supply and availability of family housing, the amenity and character of residential neighbourhoods and the ability to achieve and maintain mixed and balanced communities. Approximately 73 per cent of Lambeth's housing stock comprises flats, of which approximately one third were created through conversions. There is a correspondingly small proportion of houses (approximately 26 per cent). To ensure mixed and balanced communities with a choice of family-sized housing, it is necessary to limit further conversions in Lambeth, as set out in Policy H6. This policy approach was tested and found sound through the examination and adoption of Lambeth's Core Strategy. The evidence to support this policy is set out in the Lambeth Residential Conversions Study (Atkins, 2009).

### **Specialist types of housing (Policy H8)**

- 3.32 In addition to conventional self-contained flats and houses there is also a need in Lambeth for more, or improved, housing to meet the specific needs of residents who may otherwise have difficulty finding alternative accommodation. This includes sheltered housing with care support, staffed hostels, residential care homes/nursing homes, extra-care housing and supported housing provision for children, older persons and other client groups.
- 3.33 The limited land supply in London means that new housing developments must be directed at identified local needs. Lambeth's Housing Strategy and associated client group sub-strategies identify the existing and future accommodation needs for specific client groups, strategies / approaches to accommodation provision and current housing and investment priorities.
- 3.34 More older people are choosing to remain in their own homes rather than go into residential care. Yet in Lambeth there are higher than average numbers of people in residential care, suggesting a lack of alternative housing options – for example suitably designed sheltered or extra-care

housing. Lambeth has a substantial quantity of sheltered housing, some of which is below the Decent Homes standard, and much of which requires investment to enable older residents to remain in their homes as their care needs increase. Lambeth's Older People's Housing Strategy (February 2012) highlights a surplus of sheltered housing for social rent, while there is unmet demand for homes for sale or lease. It also identifies a current and projected deficit of extra-care housing across all tenures. The council wishes to ensure that sufficient suitably designed sheltered and extra-care housing is available for older people, across all tenures, and will support proposals for specialist housing that meets identified need.

- 3.35 A lack of suitable independent housing options for other vulnerable groups – including, people with mental health needs, physical and / or sensory impairment, and adults with learning disability – similarly means that more residents need to be placed in residential care homes, some of which are located outside of the borough. The council is working towards reducing the reliance on residential care provision, and seeks to increase the range and quality of supported independent living options, extra-care housing, self-contained supported housing and general needs housing with appropriate adaptations available to residents in Lambeth. There is also an identified need for more wheelchair accessible properties within the general needs stock and including properties suitable for family accommodation.
- 3.36 To ensure specialist housing needs can be met, the Local Plan Proposed Submission protects such accommodation unless it is re-provided or it is demonstrated that there is no longer a need for it. Allowing the loss of specialist types of housing without adequate consideration and justification would likely exacerbate existing shortages.
- 3.37 The NPPF and London Plan (REMA) refer to the need to make appropriate provision for the accommodation of service families, having regard to local need. The Mayor intends to assess the needs of this group as part of the preparation of the new London SHMA, and any additional strategic policies required will be brought forward through a future alteration to the London Plan. Lambeth will take account of the findings of the SHMA and will seek to meet any identified local needs for housing for service families.

### **Student housing (Policy H7)**

- 3.38 The London Plan 2011 recognises the need for student housing and expresses support for its provision. It makes clear, however, that addressing the demand for student accommodation should not compromise capacity to meet the need for conventional dwellings, especially affordable family homes, or undermine policy to secure mixed and balanced communities.



## Appendix 2: Topic Paper 1: Housing (November 2013)

- 3.39 Whilst London as a whole has a recognised need for more purpose-built student accommodation (London Plan 2011), Lambeth's local evidence base, specifically, the South West London SHMA and Lambeth's local HNA, highlight a pressing need for family and affordable housing.
- 3.40 Analysis of existing purpose-built student accommodation in Lambeth and the development pipeline is set out in the Student Housing Assessment November 2013 and summarised in the table below. This identifies: 1,573 existing bedspaces in the borough; two schemes currently under construction (providing 1,495 bedspaces), and; five schemes with planning permission (providing 1,085 bedspaces).

### Summary of purpose-built student accommodation in Lambeth

	No. of bedspaces <sup>1</sup>
Total existing	1,573
Total pipeline	2,580
Under construction	(1,495)
Schemes with planning permission	(1,085)

- 3.41 There has been a significant increase in student accommodation provision in Lambeth over the past five years. The number of existing student bedspaces in the borough has increased by 84 per cent since 2011 – from 885 bedspaces, to 1,573. This has arisen through the conversion of a building formerly providing hostel accommodation, to 229 student rooms in 2012, and the completion of three new-build developments in 2013/14, which provided a further 489 bedspaces. As can be seen above, the development pipeline remains healthy, with two schemes currently under construction and a further five with planning permission yet to commence construction.
- 3.42 Student housing does not normally attract affordable housing contributions, nor does it specifically address Lambeth's significant housing need. A principal concern in Lambeth is therefore that student accommodation should not displace opportunities for conventional housing, especially affordable family homes. Its provision must be carefully balanced with demands for other priority uses, including land for permanent housing (and affordable homes) and local employment opportunities. An over-concentration of student accommodation can also be detrimental to residential amenity, undermine policy to secure mixed and balanced communities, and place undue pressure on local infrastructure. To address this, Policy H7 in the Lambeth Local Plan

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<sup>1</sup> This is a conservative estimate, taking account of rooms with multiple occupancy only where known.

Proposed Submission clearly sets out the specific circumstances in which proposals for student housing will be acceptable.

- 3.43 The policy seeks to balance the provision of student accommodation with that of conventional housing. Recent levels of non self-contained housing in Lambeth, which is largely student accommodation, have greatly exceeded the expected contribution from non self-contained housing towards the London Plan housing target; a trend which analysis of the pipeline shows is likely to continue. Given the competition for available sites in Lambeth, it is therefore appropriate to manage the supply of student housing to ensure priority for planned jobs and homes, in line with the Local Plan Proposed Submission vision and objectives. This approach is regarded as a reasonable basis for ensuring that the non self-contained component of the overall housing target continues to be met, and that local needs for student housing are adequately fulfilled.
- 3.44 Consideration was given to alternative policy approaches, including the introduction of a 'cap' in areas with high existing concentrations of student bedspaces such that, when reached, any further student housing schemes would not be supported. The council also considered introducing an area-based policy which would have the effect of focussing new student accommodation in specific locations, and restricted it elsewhere in the borough. However, it was not felt that these approaches were justified by a sufficiently robust evidence base at this time, including because there are a number of schemes with extant planning permissions that have not yet been built out.
- 3.45 The council recognises that provision for specialist student accommodation is needed to support the growth of London's higher education institutions and will expect developers to demonstrate that they have engaged with the appropriate organisations to ensure that new developments will meet identified need.

### **Gypsies and Travellers (Policy H10)**

- 3.46 The national 'Planning policy for traveller sites' (PPTS) (March 2012) states that local planning authorities should:
- make their own assessment of need in respect of traveller sites;
  - set pitch targets for gypsies and travellers and plot targets for travelling showpeople which address the likely permanent and transit site accommodation needs of travellers in their area, working collaboratively with neighbouring LPAs;
  - identify and update annually a five year supply of specific deliverable sites against their locally set targets;
  - consider production of joint development plans that set targets on a cross-authority basis, to provide more flexibility in identifying sites.

## **Appendix 2: Topic Paper 1: Housing (November 2013)**

- 3.47 The London Plan 2011 (Policy 3.8) states that boroughs should identify and address the accommodation requirements of gypsies and travellers (including travelling show people), with sites identified in line with national policy.
- 3.48 Policy H10 in the Lambeth Local Plan Proposed Submission safeguards the existing travellers' site in Streatham Vale and recognises the need to identify a new site or sites for additional facilities to meet the accommodation requirements of gypsies and travellers over the lifetime of the plan. The policy also sets out the criteria against which any new sites that come forward would be assessed.
- 3.49 The target for additional pitches set out in Lambeth's Core Strategy 2011 (Policy S2 (f), 10 additional pitches) was based on the findings of the 2008 London Boroughs' Gypsy and Traveller Accommodation Needs Assessment (GTAA) (Fordham Research, March 2008). The GTAA was carried out to inform the evidence base for the replacement London Plan and relies on data now over five years old.
- 3.50 To ensure that the council's policies are appropriate and based on robust evidence, a new assessment of the current and future accommodation needs of gypsies, travellers and travelling showpeople in Lambeth is required. The study will inform the development of a strategy to meet identified need, which will include a local target for pitch and/or plot provision and a subsequent assessment of the supply of deliverable sites, to address the requirements of the PPTS.
- 3.51 In order for policies on all other aspects of the Lambeth Local Plan to proceed without delay, the development of a strategy to address gypsy and traveller accommodation provision is being taken forward in a separate gypsy and traveller development plan document. The programme for this is set out in the Local Development Scheme November 2013.
- 3.52 The council has appointed consultants Opinion Research Services to undertake a new assessment of need for future accommodation for gypsies and travellers in Lambeth. The study will be complete by early 2014.

### **4. Housing standards (Policy H5)**

- 4.1 Policy H5 cross-refers to the internal space standards set out in the London Plan and supplementary planning guidance. The policy sets out Lambeth-specific standards for outdoor amenity space, reflecting local circumstances.
- 4.2 Lambeth has an existing deficit of open space (ref. Lambeth Open Spaces Strategy February 2013), and a rising population placing additional pressure on existing spaces. Being one of the most densely populated

## Appendix 2: Topic Paper 1: Housing (November 2013)

areas in the country there are limited opportunities for creating major new areas of open space in the borough. It is therefore essential that opportunities to provide amenity space in new residential developments are maximised.

- 4.3 The amenity space standards set out in Policy H5 have been applied through supplementary planning guidance since July 2008. These established standards have been shown to be deliverable and have achieved good results.
- 4.4 Acknowledging concerns raised during consultation that the draft Local Plan contains inadequate flexibility in the application of amenity space standards, the supporting text has been amended to reflect London Plan guidance which allows the inclusion of additional internal living space where there is a shortfall in amenity space.

### 5. Viability

- 5.1 Paragraph 173 of the NPPF requires that local planning authorities give careful attention *“to viability and costs in plan-making and decision-taking”*. The NPPF requires that *“the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened”*. After taking account of policy requirements, land values should be sufficient to *“provide competitive returns to a willing landowner and willing developer”*.
- 5.2 As stated in section 3 above, the council commissioned BNP Paribas to test and demonstrate the ability of a range of development types throughout the borough to viably meet the emerging planning policy requirements in the Draft Local Plan 2013 and proposed CIL rates. The results are set out in two reports, both of which are published on the council’s website.
- ‘Draft Lambeth Local Plan 2013 – Affordable Housing Policy – Viability and Strategy Assessment’: This is an assessment of the impact of the affordable housing policies within the Draft Local Plan 2013 on development viability.
  - ‘Draft Lambeth Local Plan 2013 – Viability Study’: This is an assessment of the cumulative impact of the policies in the Draft Lambeth Local Plan 2013 plus the proposed CIL charging schedule on development viability.
- 5.3 The viability testing of the cumulative impact of the emerging housing policies and other requirements (sustainability, Lifetime Homes, CIL and Mayoral CIL) demonstrates that the council’s proposed approach will ensure the viability of developments is not adversely affected over the economic cycle. The assessment provides evidence to show that, in

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accordance with the NPPF, the policy requirements for development set out within the plan do not threaten the ability of the sites and scale of that development to be developed viably.

# Appendix 3: Small Sites Affordable Housing Contribution Viability Test



## Small Sites Affordable Housing Contribution Viability Test

Scheme address:

Policy compliant affordable housing	21.5%
Private	7.06
Affordable	1.94

Scheme income		Scheme mix							
Unit type	No of beds	Floor area (sq m)	Predicted sales value	Car Parking revenue per unit	Ground rent per annum	Yield	Capitalised ground rent	Gross floor area (sgm)	
Unit 1	House	3	95	£525,000	£0	£0.00	5%	£0	95.00
Unit 2	House	3	98	£525,000	£0	£0.00	5%	£0	98.00
Unit 3	Flat	1	50	£295,000	£0	£250.00	5%	£5,000	58.82
Unit 4	Flat	1	50	£295,000	£0	£250.00	5%	£5,000	58.82
Unit 5	Flat	2	75	£427,500	£0	£300.00	5%	£6,000	88.24
Unit 6	Flat	2	75	£427,500	£0	£300.00	5%	£6,000	88.24
Unit 7	Flat	2	75	£427,500	£0	£300.00	5%	£6,000	88.24
Unit 8	Flat	1	50	£295,000	£0	£250.00	5%	£5,000	58.82
Unit 9	Flat	1	50	£295,000	£0	£250.00	5%	£5,000	58.82
<b>Sub-total</b>		618	<b>£3,512,500</b>					<b>£38,000</b>	

Average private sales value (per sq m) £5,684

Average affordable hsq value (per sq m) £1,100.00

Policy compliant scheme GDV (private)	£2,755,698
Policy compliant scheme GDV (affordable)	£146,470

Car parking income	
Ground rent income	£38,000

Gross to net ratio (flats) 85.00% GIA total 693.00

**Gross Development Value £3,550,500 £2,940,167**

Scheme costs			
Build costs		£970,200	£970,200
Demolition and site prep		£34,650	£34,650
Professional fees	8.00%	£77,616	£77,616
Mayoral CIL		£24,255	£24,255
Lambeth CIL		£34,650	£34,650
Section 106 (non-housing)		£15,000	£15,000
Marketing (% of GDV)	3.00%	£106,515.00	£83,810.93
Developer's profit on private	20.00%	£710,100.00	£558,739.55
Developer's profit on AH	6.00%	N/A	£8,788.17
Finance on build	7.00%	£40,472.99	£40,472.99
<b>Residual land value</b>		<b>£1,537,041</b>	<b>£1,091,985</b>
Finance on land	7.00%	£107,593	£76,439

**NET RESIDUAL £1,429,448 £1,015,546**  
**£1,015,545 £1,015,545**

Viable

Viable

Existing use value Input method:   
 Manual entry EUV:

**Payment in lieu £413,902**

Description of existing buildings on site:

Floor area of building (sgm)   
 Type of building

Rent per sq m		
Area 1	£180.00	£72,000
Yield	7.00%	
Rent free period (years)	2.0	0.8734
Capital Value	£898,394	
Purchaser's costs	5.80%	£52,107
Landowner premium	20%	

Supporting evidence:

1

### **Lambeth Local Plan 2015 – guidance on calculating financial contributions for affordable housing on small sites**

Lambeth Local Plan 2015 Policy H2(ii) requires a financial contribution towards the delivery of off-site affordable housing on all sites where the development is providing between 1 and 9 residential units.

The formula for calculating the contribution required is set out in Annex 10 of the Plan. It is  $A-B=C$ , where A is the residual value of the development to be provided with 100% market housing and B is the residual value that would be achieved if it included affordable housing. C is the level of payment in lieu.

The amount of contribution payable is subject to viability. If it is demonstrated to the satisfaction of the council that the payment required for a policy-compliant level of affordable housing would render the scheme unviable, then a lower level payment is required<sup>1</sup>. In the event that there is a dispute about the level of payment to be made, the matter will be referred for independent review at the cost of the applicant.

Calculations should be carried out using the live ‘toolkit’ available on the S106 page of Lambeth’s website. This toolkit is based on a model devised for Lambeth by BNP Paribas Real Estate and found sound during the examination of the Lambeth Local Plan 2015. For further information see BNP Paribas Real Estate’s report prepared for LB Lambeth in March 2013 ‘Approaches to securing payments in lieu of on-site affordable housing’.

#### **Information to be provided on submission of a planning application**

For all planning applications involving between 1 and 9 residential units, applicants are advised to provide an affordable housing statement with the following information:

- The completed Lambeth toolkit for calculating affordable housing contributions on small sites, showing figures for a policy-compliant level of affordable housing on the scheme. This should include notes explaining the assumptions made about predicted sales values and build costs and any other relevant information. Please be aware that Lambeth will use RICS Building Cost Information Service data as a benchmark. In addition, the Council has access to information on residential sales values within localities, and existing commercial property values through the Valuation Office Agency and its Property Team.
- In cases where the toolkit suggests that a policy-compliant level of affordable housing is not viable, a further version of the completed toolkit based on the maximum level of affordable housing at which, in the applicant’s view, a payment would be viable.

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<sup>1</sup> Viability is assessed by comparing the residual value generated by the Application Scheme to the Site’s current use value plus appropriately justified site-specific premium. The Council will not have regard to site purchase price if it cannot be demonstrated that this has taken full account of planning policy requirements.

#### **Appendix 4:** Guidance on calculating contributions for affordable housing on small sites

- Written in principle agreement to pay the contribution to the council, subject to grant of planning permission.
- Written commitment to pay costs for independent appraisal of the scheme in the event that there is disagreement about the level of payment to be made.

#### **How to determine viability and calculate the payment in lieu, using the toolkit**

##### **Step 1:**

Enter a description of unit types, number of beds per unit and predicted sales values in the 'Scheme Income' table. Also enter car parking revenue per unit, ground rents and yield to be applied to ground rents.

The toolkit will calculate the capital value of the ground rents based on the yield (1 divided by the yield multiplied by annual ground rent; for example, if the annual ground rent is £200 and the yield is 7%, the capital value would be  $1 \div 7\% = 14.28$ , multiplied by £200=£2,857).

The toolkit will calculate the Gross Development Value (GDV) by adding the predicted sales values to the car parking revenue and capitalised ground rents.

##### **Step 2:**

Enter the policy-compliant percentage of affordable housing in the box under 'policy compliant affordable housing', having regard to Policy H2. In cases not involving grant, this will be 40%.

Enter the average affordable housing value in the box immediately below. Using these average values, the toolkit will calculate the GDV of a scheme incorporating affordable housing.

##### **Step 3:**

Enter scheme costs: build costs, demolition and site preparation costs, Community Infrastructure Levy (CIL) and Section 106 contributions (other than for affordable housing). Professional fees, marketing costs, developer's profit, finance on build and finance on land should be based on the percentages shown in the toolkit.

The toolkit will add these costs to determine total development costs. The toolkit calculates costs separately for the scheme with affordable housing and the 100% market housing scheme.

##### **Step 4:**

The toolkit calculates the net residual land value by deducting all scheme costs from the GDV for both schemes.



#### **Appendix 4:** Guidance on calculating contributions for affordable housing on small sites

##### **Step 5:**

Enter the current use value by one of the following two methods. Use the drop down list in cell F54 to determine which method to use (either a manual entry, or by providing details of existing floorspace, rents and yields to calculate a capital value.

If using the manual entry method, simply enter the existing use value of the property in cell F56.

If using the rent and yield method, enter the details of floorspace, rent, yield, rent free period, purchaser's costs and premium in the relevant cells.

##### **Step 6:**

The toolkit calculates the payment in lieu (C) by deducting the residual land value of the scheme incorporating affordable housing (B) from the 100% market housing scheme (A). **If the residual land value of the scheme with affordable housing is lower than the site's existing use value, re-run the steps above with a reduced level of affordable housing.** To determine the maximum viable level of affordable housing, click on the button labelled "Click to goal seek max viable affordable". This button reduces the percentage of affordable housing until the residual land value increases to the same level as the existing use value.

## Lambeth Local Plan Small Sites Affordable Housing Policy: considerations for planning decision makers

October 2017

### 1. Introduction

1.1 This note addresses the current Local Plan policy of seeking financial contributions towards the delivery of affordable housing from sites providing fewer than 10 units (referred to in this note as 'small sites'; the position in relation to sites involving 10 units is also covered). It summarises the original justification and evidence base for the policy and then assesses the significance of delivery of housing on small sites, and on sites involving exactly 10 units, both in terms of meeting housing supply generally and through the generation of affordable housing contributions.

### 2. The London Plan context

2.1 The London Plan 2016 (consolidated with alterations since 2011) requires boroughs to maximise delivery of affordable housing (policy 3.12) and encourages boroughs to seek a lower than 10-unit threshold for affordable housing where this can be justified (policy 3.13).

2.2 In August 2017 the Mayor of London published his Affordable Housing and Viability supplementary planning guidance to the London Plan. This states that the Mayor "...supports LPAs that wish to apply requirements for affordable housing contributions on sites providing fewer than 10 homes where the LPA can demonstrate the role that these sites can play in supporting affordable housing delivery, and that sites would remain viable" (para. 2.79).

### 3. Lambeth Local Plan 2015 Policy H2(a)(ii)

3.1 Lambeth Local Plan 2015 Policy H2(a)(ii) requires a financial contribution towards the delivery of off-site affordable housing on all sites where the development is providing between 1 and 9 residential units. Under the Lambeth Local Plan, schemes proposing exactly 10 residential units are subject to Policy H2(a)(i) and affordable housing requirements fall to be considered in the same way they would for larger schemes. However, as explained further below, central government defines 'small sites' as meaning 10 units or less, rather than 9 units or less.

3.2 The formula for calculating the contribution required for small sites is set out in Annex 10 of the Plan. It is  $A-B=C$ , where A is the value of the development if there were to be 100% market housing and B is the value of the development that would otherwise be achieved if it included affordable housing in line with the Council's 40% policy target. C is the level of payment in lieu.

3.3 The amount of contribution payable is subject to viability. If it is demonstrated to the satisfaction of the Council that the payment required for a policy-compliant level of affordable housing would render the scheme unviable, then a lower level payment is required.

3.4 Calculations are carried out using a 'toolkit', which is based on a model devised for the Council by BNP Paribas Real Estate.

## Appendix 5: Small sites affordable housing policy: considerations for decision makers

### Original justification and evidence supporting the introduction of Policy H2(a)(ii)

- 3.5 The Council's justification for the above policy approach was set out in a topic paper published alongside the draft Local Plan (Topic Paper 1 Housing November 2013). In summary, the justification was four-fold:
1. The London Plan requires boroughs to maximise delivery of affordable housing (policy 3.12) and encourages boroughs to seek a lower than 10-unit threshold for affordable housing where this can be justified (policy 3.13).
  2. The level of need for affordable housing in the borough is very significant, as set out in the local Housing Needs Assessment.
  3. Sites with fewer than 10 units make a significant contribution to the overall supply of housing in the borough and their potential contribution to affordable housing delivery is not currently being captured.
  4. Analysis of viability has demonstrated that contributions to affordable housing from sites with fewer than 10 units are viable in principle alongside the Community Infrastructure Levy (CIL) rates set out in, what was at that time, Lambeth's CIL Preliminary Draft Charging Schedule, and Mayoral CIL.

### Examination and adoption of the Lambeth Local Plan 2015

- 3.6 The Local Plan was submitted for examination on 28 March 2014 and the examination hearings were conducted between 8 and 22 July 2014. The Inspector's report, dated 11 August 2015, found the Local Plan, including Policy H2, sound and it was adopted on 23 September 2015.

### The issuing of the Written Ministerial Statement and Planning Practice Guidance and the implications for Local Plan Policy H2(a)(ii)

- 3.7 A Written Ministerial Statement (WMS) issued by the Secretary of State for Communities and Local Government in November 2014 introduced an exemption from affordable housing and tariff style contributions for sites of 10 units or less, and with a maximum combined gross floor space of 1,000 square metres. National Planning Practice Guidance (PPG) was published to reflect this.
- 3.8 The issuing of the WMS and PPG was successfully challenged through judicial review in the High Court (*West Berkshire District Council v Department for Communities and Local Government* [2015] EWHC 2222). The High Court handed down judgment in *West Berkshire* on 31 July 2015, quashing the relevant parts of the PPG and the decision to introduce the policy in the ministerial statement. However, on 11 May 2016 the Court of Appeal reversed that decision, holding that the Secretary of State was entitled to rely on the WMS. The PPG was amended accordingly.
- 3.9 During May and June 2016 planning inspectors ruled against Lambeth's application of Local Plan Policy H2(a)(ii) in 5 separate appeals, concluding that government policy in the WMS and the associated guidance in PPG relating to planning obligations outweighed the requirements of Policy H2.
- 3.10 The relative weighting given to the WMS and the requirements of development plan policy was addressed in the determination of individual planning applications.

## **Appendix 5: Small sites affordable housing policy: considerations for decision makers**

3.11 In March 2017 the Planning Inspectorate responded to a letter of complaint by LB Richmond regarding inconsistency in the relative weight inspectors were giving the WMS and PPG in appeal decisions. The Inspectorate's letter acknowledged that the effect of the WMS was not to reduce the weight that should be given to the statutory development plan, or automatically to outweigh relevant development plan policies. The letter went on to note that the WMS comes into play as a material consideration which may post-date the authority's own development plan, and which has to be balanced against the plan and the evidence base supporting the local planning authority's application of the policy.

### **4. Affordable housing need in Lambeth**

4.1 There is already an acute shortage of affordable housing across London and evidence suggests the demand for affordable housing in Lambeth will remain very high over the next 10-15 years. Lambeth's Strategic Housing Market Assessment 2017 indicates that between 1,047 and 1,573 affordable homes would be required annually to meet affordable housing need over the plan period.

4.2 The potential contribution of small sites towards meeting the need for affordable housing is addressed further below.

### **5. Delivery analysis**

5.1 The following sections of this note look at the contribution of small sites to housing supply generally and the delivery of affordable housing in Lambeth on sites with fewer than 10 units, covering the period April 2009 to March 2017. Prior to the introduction of Local Plan Policy H2(a)(ii) in September 2015, the Core Strategy (January 2011, Policy S2(c)) and before that the Unitary Development Plan (August 2007, Policy 16(a)) both sought affordable housing only from sites of 10 units or more, or at least 0.1ha in size.

5.2 The data relating to the contribution of small sites to delivery of affordable housing in Lambeth will reflect the fact that Local Plan Policy H2(a)(ii) has been in place only for some 2 years, and the fact that national policy and planning practice guidance can both be said to have been in a state of flux during that time, as noted above, which will have fed through into the consideration of individual applications.

5.3 The WMS and revised PPG refer to 'small sites' as being sites of 10 or fewer units, whilst Policy H2(a)(ii) (in common with the London Plan) refers to 'small sites' as being sites of fewer than 10 units. Because of this discrepancy, sites of 10 units are analysed separately from sites with 1-9 units in this note.

#### Approvals and completions on small sites and 10 unit sites

5.4 Small sites make a significant contribution to Lambeth's housing supply, in both the number of schemes approved and completed. Table 1 below shows the number of net additional dwellings<sup>2</sup> approved between April 2009 and March 2017. During this eight-year period, on average 18.9% of units approved were on schemes with 1-9 proposed units – accounting for a total of 2,390 net additional units. Only three schemes that proposed exactly 10 units were approved, providing 19 net additional units in total. In some years the proportion of total units approved that came from small sites was as high as 30%. It fell to 12.5% in

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<sup>2</sup> 'Net' refers to the number of new housing units created minus any existing units lost, for example through demolition or change of use. 'Gross' is the total number of new units.

## Appendix 5: Small sites affordable housing policy: considerations for decision makers

2014/15, but started to increase again from 2015/16, during which time the Lambeth Local Plan had been adopted. This suggests that the introduction of Policy H2(a)(ii) did not have a negative impact on the number of small sites coming forward for housing development.

**Table 1 – Net Approvals by Scheme Size, 2009-2017**

Scheme Size (Proposed Units)	Fewer than 10 units		10 Units		More than 10 Units		TOTAL
	Number of units	% of total units	Number of units	% of total units	Number of units	% of total units	
2009/10	222	29.5%	0	0.0%	530	70.5%	752
2010/11	307	16.3%	0	0.0%	1,574	83.7%	1,881
2011/12	335	23.4%	0	0.0%	1,095	76.6%	1,430
2012/13	329	30.3%	0	0.0%	758	69.7%	1,087
2013/14	381	17.0%	10	0.4%	1,848	82.5%	2,239
2014/15	372	12.5%	6	0.2%	2,587	87.3%	2,965
2015/16	206	18.8%	0	0.0%	891	81.2%	1,097
2016/17	238	20.0%	3	0.3%	951	79.8%	1,192
<b>Total</b>	<b>2,390</b>	<b>18.9%</b>	<b>19</b>	<b>0.2%</b>	<b>10,234</b>	<b>80.9%</b>	<b>12,643</b>

5.5 The proportion of completed units that come from small sites is higher than the proportion of units approved on small sites. Table 2 below shows that between April 2009 and March 2017, 24.3% of net additional completed units were on sites of fewer than 10 units, compared to 18.9% of approved units. In some years, more than a third of all completed units were on small sites.

**Table 2 – Net Completions by Scheme Size, 2009-2017**

Completed Financial Year	Fewer than 10 Units		10 Units		More than 10 Units		Total
	Number of Units	% of all units	Number of Units	% of all units	Number of Units	% of all units	
2009/10	415	37.0%	18	1.6%	690	61.4%	1,123
2010/11	88	6.8%	0	0.0%	1,206	93.2%	1,294
2011/12	304	34.4%	10	1.1%	571	64.5%	885
2012/13	149	25.6%	0	0.0%	434	74.4%	583
2013/14	239	22.3%	8	0.7%	825	77.0%	1,072
2014/15	241	19.0%	0	0.0%	1,027	81.0%	1,268
2015/16	318	33.7%	0	0.0%	626	66.3%	944
2016/17	268	23.5%	0	0.0%	872	76.5%	1,140
<b>Total</b>	<b>2,022</b>	<b>24.3%</b>	<b>36</b>	<b>0.0%</b>	<b>6,251</b>	<b>75.2%</b>	<b>8,309</b>

### Implementation of permissions on small sites and 10 unit sites

5.6 Over the last seven years, an average of 19.1% of all units approved were on schemes of 10 units or fewer<sup>3</sup>. The proportion of all completed units that are on sites with 10 units or fewer

<sup>3</sup> Sites of 10 units are included along with small sites (1-9 units) throughout this section (Table 3 and Charts 1 and 2). The low number means it would be difficult to analyse 10-unit schemes separately.

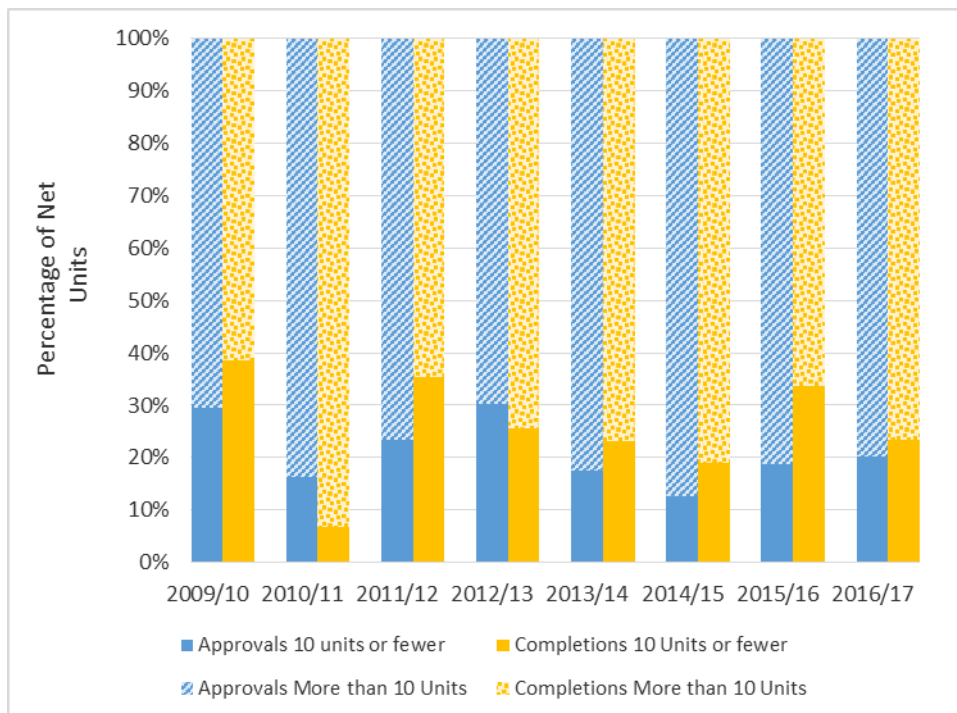
## Appendix 5: Small sites affordable housing policy: considerations for decision makers

is 24.8%, as set out in table 3 below. In most years, the proportion of units completed on site with 1-10 units is higher than the proportion of units approved on sites with 1-20 units (see chart 1 below). This suggests that small schemes are more likely to be implemented than larger housing developments. A total of 2,409 units were approved on sites of 10 units or fewer, and 2,058 were completed – a crude ‘implementation rate’ of 85%. For schemes larger than 10 units, 10,234 units were approved and 6,251 were completed - an implementation rate of 61%.

**Table 3 - Net Approvals and Completions on Sites of 10 Units or fewer**

Financial Year	Units approved on sites of 10 units or fewer	% of total units approved	Units completed on sites of 10 units or fewer	% of total units completed
2009/10	222	29.5%	433	38.6%
2010/11	307	16.3%	88	6.8%
2011/12	335	23.4%	314	35.5%
2012/13	329	30.3%	149	25.6%
2013/14	391	17.5%	247	23.0%
2014/15	378	12.7%	241	19.0%
2015/16	206	18.8%	318	33.7%
2016/17	241	20.2%	268	23.5%
<b>Total</b>	<b>2,409</b>	<b>19.1%</b>	<b>2,058</b>	<b>24.8%</b>

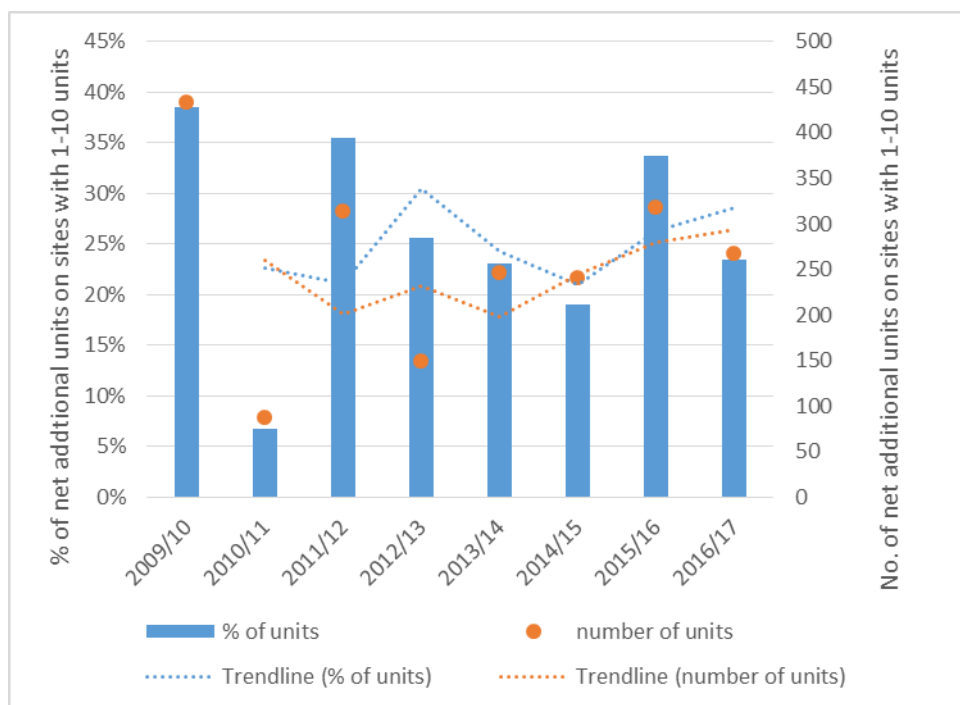
**Chart 1 - Net Approvals and Completions 2009-2017**



5.7 Chart 2 below shows units completed on sites of 10 units or fewer over the period 2009-2017, both as a number and as a percentage of all (net) units completed in each year. The dotted lines show a two-year moving average. This shows that for both the number and percentage of units on small sites, the trend has fluctuated over the years but has been increasing since 2014/15.

**Appendix 5: Small sites affordable housing policy: considerations for decision makers**

**Chart 2 – Net Completions on Sites with 1-10 units**



5.8 Table 4 below shows the number of schemes of different sizes completed during the period April 2009 to March 2017. The vast majority (90.8%) of schemes completed in Lambeth are on sites with 10 or fewer units. The figures below also illustrate the impact of an affordable housing threshold of 10 – there are 10 times the number of schemes with 9 units as there are with 10 units.

**Table 4 – Completions by Scheme Size (Gross) 2009 to 2016**

Scheme Size (proposed number of units)	Number of Schemes	Number of Units (proposed)	Number of Units (net additional dwellings)	% of all schemes	Cumulative percentage of all schemes
1	258	258	47	24.9%	24.9%
2	250	500	317	24.1%	49.0%
3	185	555	358	17.8%	66.8%
4	78	312	240	7.5%	74.3%
5	34	170	144	3.3%	77.6%
6	33	198	157	3.2%	80.8%
7	19	133	124	1.8%	82.6%
8	28	224	201	2.7%	85.3%
9	53	477	434	5.1%	90.5%
10	4	40	36	0.4%	90.8%
	<b>942</b>	<b>2,867</b>	<b>2,058</b>	<b>90.8%</b>	

## Appendix 5: Small sites affordable housing policy: considerations for decision makers

### 6. Affordable Housing Contributions secured through Policy H2(a)(ii)

- 6.1 Forty-seven schemes of 10 or fewer units were approved between September 2015, when the Lambeth Local Plan was adopted, and July 2016, totalling 145 units. Thirteen of these schemes (28%) are currently under construction and a further 5 (11%) have been completed.
- 6.2 Five of these schemes were able to provide a contribution to affordable housing, totalling just over £145,000. However, in one case the obligation was subsequently removed through a variation to the S106 agreement following the outcome of the WMS litigation. This left a total of just over £108,000. To date, £102,000 of this has been paid to the Council.
- 6.3 The viability of schemes is taken into account when assessing the potential for an affordable housing contribution. Schemes which have been shown not to be viable if an affordable housing contribution were to be made have not been required to make that contribution.

#### How financial contributions are used to deliver additional affordable housing in Lambeth

- 6.4 Since 2009 the Council has allocated £2.7m of funds obtained as cash in lieu payments to assist Registered Providers in delivering affordable housing. As Lambeth has embarked on a large estate regeneration and new build programme, payments have most recently been used to assist in delivery of affordable housing through mechanisms associated with this programme.
- 6.5 A potential fund of approximately £21m has been secured through signed S106 agreements. These financial contributions and cash in lieu payments will be received from private developments if and when they are undertaken in the future, and will be applied to affordable housing provision in accordance with the terms of the relevant agreements. Modes of delivery could include via the Council's own development programme or via assistance to Registered Providers. Financial contributions collected in relation to small sites can be expected to be applied in the same ways.