



Managing Development DPD Public Examination

Position Statements prepared on behalf of Workspace Group Limited

04.09.2012

- 1.1 The following Position Statements set out why the Managing Development DPD (the 'DPD') is unsound and provides a recommendation to the Inspector outlining how the DPD could be amended to be made sound. They should be read in conjunction with the representations submitted on behalf of Workspace Group on 15 July 2011 and 09 March 2012.

Position Statement 1 in relation to Issue 1 and Policy DM3 Delivering Homes

What particular part of the document is unsound?

- 1.2 Policy DM3 is unsound.

Which soundness tests does it fail?

- 1.3 It is unsound because it is not effective and is not consistent with the National Planning Policy Framework (NPPF, 2012) and the London Plan (2011).

Why does it fail?

- 1.4 The NPPF requires planning to proactively drive and support sustainable economic development including through the delivery of new homes, including affordable homes.
- 1.5 London Plan Policy 3.12 requires boroughs to seek the maximum reasonable amount of affordable housing when negotiating on individual private residential and mixed-use schemes.
- 1.6 London Plan Policy 3.11 includes a strategic target that 60% of new affordable housing should be for social rent and 40% for intermediate rent or sale.
- 1.7 The Mayor has published an early minor alteration to the London Plan to address the introduction of affordable rent, with further guidance set out in a draft Affordable Rent SPG.



- 1.8 Regarding tenure split, the Mayor's position is that both social rent and affordable rent should be included within the 60% element of the strategic target.
- 1.9 The Core Strategy Policy SP02 sets an overall strategic target for affordable homes of 50% until 2025, including the requirement for 35%-50% affordable homes on sites providing 10 new residential units or more (subject to viability).
- 1.10 Policy DM3, as drafted, requires development to provide affordable housing in accordance with the Council's tenure split (70% Social Rent and 30% Intermediate) as set out in the Core Strategy.
- 1.11 Policy DM3 only allows for the provision of affordable rented homes where: the required proportion of 70% for Social Rent homes is demonstrated to be unviable; the provision of Affordable Rent homes alongside Social Rent homes ensures the delivery of between 35%-50% affordable housing; and the delivery of larger family homes is prioritised for Social Rent.
- 1.12 The Tower Hamlet's Affordable Housing Viability Assessment (July 2011) forms part of the evidence base for Policy DM3. It concluded that the Council should not shift its policy position to adopt Affordable Rent on an equal footing with Social Rent, hence the subsequent drafting of Policy DM3.
- 1.13 The drafting of proposed early minor alterations to the London Plan as they relate to affordable housing provision and the Affordable Rent product makes it clear that the Mayor's intention is that Affordable Rent is intended to address the same housing needs as Social Rent housing in London. Regional guidance does not advocate the cascading policy approach that is currently set out in Policy DM3.
- 1.14 In failing to adopt a similar approach in the drafting of Policy DM3 and failing to further review its affordable housing evidence base, it is considered that the Council has failed to ensure the soundness of Policy DM3.
- 1.15 We argue that Policy DM3 as drafted will not be effective and will not comply with national and regional planning policy insofar as it will fail to secure the maximum delivery of affordable housing.



1.16 We consider that the policy therefore fails to take full account of the importance of scheme viability considerations and will constrain the ability of developers to deliver new housing. Through the provision of Affordable Rent housing as part of development proposals, there is an opportunity to increase the viability of schemes and to therefore maximise the overall delivery of affordable housing provision.

1.17 We also note correspondence which has been sent by the Mayor of London to the Inspector dated 30 August 2012. In summary, the following sets out in broad terms some of the key conclusions reached by the Mayor in this correspondence:

- Prioritising Social Rented housing at the expense of Affordable Rent will constrain the Council's ability to maximise overall provision of affordable housing;
- In not taking a realistic account of available resources the plan will not be 'deliverable' in the sense the term is used in paragraph 173 of the NPPF and thus will not be sound;
- Prioritising Social Rented housing before Affordable Rented housing would slow down the process of planning applications and add undue burdens on developers;
- National guidance and the early alterations to the London Plan make it clear that Affordable Rent and Social Rent are intended to meet the same housing needs.
- A pragmatic approach should be taken to deciding which tenure is going to result in the maximum provision of affordable housing and there is no basis for preferring one over the other;

1.18 We support the Mayor's conclusions insofar as these are consistent with those of Workspace Group Limited.

How could the document be made sound?

1.19 Policy DM3 should be amended to ensure that the preference for Social Rent provision over Affordable Rent provision is removed.

What is the precise change/wording sought?

1.20 Part 1 of Policy DM13 should be amended by deleting the following sentence and criteria:



“Affordable Rent will be accepted where:

- a. the required proportion of 70% for Social Rent homes is demonstrated to be unviable;**
- b. the provision of Affordable Rent homes alongside Social Rent homes ensures the delivery of between 35%-50% affordable housing;**
- c. the delivery of larger family homes is prioritised for Social Rent.”**

Position Statement 2 in relation to Issue 3 and Policy DM17 Local Industrial Locations

What particular part of the document is unsound?

- 1.21 Supporting paragraph 17.1 as currently drafted and as it relates to the accompanying Policy DM17 is considered to unsound.

Which soundness tests does it fail?

- 1.22 It is unsound because it is not effective and will not ensure that adequate flexibility exists in relation to the uses that are appropriate in Local Industrial Locations

Why does it fail?

- 1.23 The main thrust of Policy DM17 is broadly supported. It fails to recognise, however, that in the case of SME accommodation which it promotes, that users typically require units ranging from serviced office space through to studios, workshops and light industrial. These uses tend to ‘straddle’ the B1 Use Classes, with occupiers who might normally be characterised as ‘light industrialists’ using workshops or studio spaces.

How could the document be made sound?

- 1.24 The policy’s supporting text at Paragraph 17.1 should be amended in such a way as to allow for this and provide a policy basis which promotes floorspace to attract flexible responsible SME businesses who typically operate from a step mix of both B1a and B1c floorspace without distinction, in order to deliver the Council’s key policy aspiration as identified in adopted Core Strategy Policy SP06.1.



What is the precise change/wording sought?

1.25 The final line of supporting paragraph 17.1 should be amended to read as follows:

“For example, in a LIL creative and cultural industries, green industries, transport depots, business parks, research and development, and SME accommodation contributing to the provision of jobs in the local economy are all suitable uses.”