



# London Borough of Tower Hamlets Housing Delivery Strategy

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September, 2017

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## 1. Introduction

1.1. This Housing Delivery Strategy (internally produced by the London Borough of Tower Hamlets [LBTH]) accompanies the Tower Hamlets Local Plan 2031 Proposed Submission Document and in particular, the housing trajectory (proposed submission Local Plan, appendix 7) and accompanying methodology 'Assessment of Five-Year Housing Land Supply and Local Plan Housing Trajectory, position at August 2017'.

1.2. The purpose of the Housing Delivery Strategy is to demonstrate how Tower Hamlets is proposing to reduce the currently anticipated shortfall and deliver housing sustainably, and in a way that meets local housing needs.

1.3. It is important to note that a new London Plan is also under preparation and will provide updated housing targets for the London boroughs. Figures produced in advance of the publication of the Regulation 18 London Plan, indicate that the new London Plan target will be lower and will almost eliminate the currently anticipated shortfall. This target will still be subject to consultation and examination and could change. Notwithstanding what the borough's updated housing target is, the council is committed to maximising sustainable housing delivery and will monitor housing delivery in accordance with the monitoring framework set out in section 5 of the proposed submission Local Plan.

1.4. This document contains the following sections:

- Executive Summary.
- Legislative Requirements: outlines the regional and national policy framework shaping the LBTH approach to housing delivery.
- Housing Need / Demand: summarises the borough's housing need and housing target.
- Housing Supply: provides the borough's historic and anticipated future housing delivery.
- Delivery Considerations: outlines the challenges and constraints associated with delivering housing in the borough.
- Addressing the shortfall: provides details of a number of delivery approaches LBTH is using to reduce the anticipated shortfall.
- Monitoring and Response: sets out how LBTH will monitor housing delivery and respond accordingly.
- Conclusion.

## 2. Executive Summary

- 2.1. Tower Hamlets has the highest housing target in London (3,931 homes a year). This target was established in the London Plan (2016) and developed through the Greater London Authority (GLA) Strategic Housing Land Availability Assessment (2013). It is a capacity driven target, reflecting land availability and likelihood of delivery. The London Plan target is a ten year target (to 2025) but the London Plan is clear that where a target beyond 2025 is required, the annual target should be rolled forward.
- 2.2. The London Plan target is significantly higher than the borough's Objectively Assessed Need (OAN) of 3,100 homes a year, established by the LBTH Strategic Housing Market Assessment (SHMA) (2017). The OAN provides an estimate of the borough's housing need, based on the latest population projections.
- 2.3. Following the latest GLA Strategic Housing Land Availability Assessment (SHLAA), undertaken in early 2017 (to inform the new London Plan), Tower Hamlets has established a 15-year housing trajectory, in order to inform the development of the new Tower Hamlets Local Plan. The 15 year housing trajectory indicates that the borough has sufficient land to meet the OAN (established in the SHMA 2017) but insufficient deliverable land to meet the London Plan housing target. This shortfall only emerges in the last 5 years of the trajectory (2026 – 2031), after the London Plan housing target period (2015 – 2025).
- 2.4. The GLA SHLAA (2017) also informs the new London Plan, which is due to be published for regulation 18 consultation in November 2017. The emerging scenario for the new London Plan suggests that the new housing target will be 3,511 homes a year, a significant reduction which would almost remove the currently anticipated shortfall. However this target is subject to public consultation, examination and central government sign-off and may change.
- 2.5. The council is still seeking to maximise sustainable housing delivery, through a range of initiatives outlined in section 8, whilst having due consideration of the constraints to sustainable delivery outlined in section 7.

### **3. Legislative Requirements**

#### The National Planning Policy Framework:

- 3.1. Paragraph 47 of the National Planning Policy Framework (NPPF) requires local planning authorities to identify and update annually a supply of specific deliverable sites sufficient to provide five years' worth of housing against their housing requirements, with an additional buffer of 5% to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% to provide a realistic prospect of achieving the planned supply.
- 3.2. Local Planning Authorities should also identify a supply of specific, developable sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15.
- 3.3. To be considered deliverable, the NPPF states that sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable. Sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years. To be considered developable, sites should be in a suitable location for housing development and there should be a reasonable prospect that the site is available and could be viably developed at the point envisaged.
- 3.4. Authorities should illustrate the expected 15 year trajectory rate of housing delivery through a housing trajectory for the plan period and set out a housing implementation strategy for the full range of housing describing how they will maintain delivery of a five-year supply of housing land to meet their housing target.
- 3.5. The LBTH 5 year land supply and 15 year trajectory is outlined in appendix 7 of the proposed submission Local Plan and accompanying methodology 'Assessment of Five-Year Housing Land Supply and Local Plan Housing Trajectory, position at August 2017'.

#### The London Plan

- 3.6. Policy 3.3 of the London Plan (2016) states that ‘boroughs should seek to achieve and exceed the relevant minimum borough annual average housing target ... if a target beyond 2025 is required, boroughs should roll forward and seek to exceed that in Table 3.1 until it is replaced by a revised London Plan target.’
- 3.7. The London Plan target is made up of conventional supply, non-self-contained accommodation and vacant dwellings returned to use. Conventional supply comprises net additional self-contained dwellings. Non-self-contained accommodation includes hostels, residential care homes and student accommodation. Conventional supply and non-self-contained accommodation are not disaggregated within the target.
- 3.8. The London Plan does acknowledge that competing land use requirements ‘may affect the extent to which boroughs are able to supplement minimum housing targets. These strategic policy considerations will be taken into account when assessing general conformity with the London Plan’ (paragraph 1.1.10 of the Housing Supplementary Planning Guidance, 2016).

#### The new London Plan

- 3.9. A new London Plan will be published for Regulation 18 consultation in November 2017 and is expected to be adopted in winter 2019/20. This will establish new housing targets for London boroughs, informed by the results of the London SHLAA 2017.
- 3.10. The emerging scenario for the new London Plan suggests that the new housing target will be 3,511 homes a year, a significant reduction which would almost remove the currently anticipated shortfall. However this target is subject to public consultation, examination and central government sign off and may change.

## 4. Housing Need / Demand

### LBTH Strategic Housing Market Assessments (SHMA)

- 4.1. The LBTH 2017 SHMA identifies the full objectively assessed need for housing in Tower Hamlets to be 46,500 dwellings over the 15-year plan period (2016-31), equivalent to an average of 3,100 dwellings per year. This includes the objectively assessed need for affordable housing of 21,100 dwellings over the same period, equivalent to an average of 1,407 dwellings per year (45% of the objectively assessed need (OAN).
- 4.2. This is a fairly significant change from the objectively assessed need established in the LBTH 2014 SHMA of 2,562 dwellings per year, of which 66.5% would be affordable housing. It is important to note that the SHMA 2017 makes clear that the change in affordable housing need is due to methodology changes, rather than a reduction in affordable housing need.

### Housing Target

- 4.3. The current London Plan (2016) identified a 10- year minimum housing supply target of 39,314 homes for Tower Hamlets over the period 2015-25. This is equivalent to a minimum requirement of 3,931 homes per annum. The London Plan does not set out specific housing targets for Local Plans which plan beyond 2025 but expects boroughs to 'roll forward' their annual target. The London Plan 10 year target, plus the annual rolled-forward target results in a housing supply target for 2016 – 2031 of 58,965 homes.
- 4.4. This is greater than the council's objectively assessed need of 46,500 homes, reflecting that the borough is expected to also significantly contribute towards meeting London's strategic housing need.

## 5. Past Housing Supply

### Housing Completions

5.1. Table 1 below sets out Tower Hamlets delivery record and demonstrates that in 3 of the last 6 years the council has delivered above the housing target. Cumulatively there has been an under delivery of 784 homes (around 4%) against a target of 17,874 homes (London Plan housing targets 2011 – 2016) over the last six years. As the borough has the highest housing target in London, housing delivery is still considered to be strong.

|                         |                | Housing completions | Housing target (London Plan) | Performance against targets |
|-------------------------|----------------|---------------------|------------------------------|-----------------------------|
| <b>London Plan 2011</b> | <b>2011/12</b> | 1,840               | 2,503                        | -663                        |
|                         | <b>2012/13</b> | 3,062               | 2,503                        | 559                         |
|                         | <b>2013/14</b> | 2,285               | 2,503                        | -218                        |
|                         | <b>2014/15</b> | 2,522               | 2,503                        | 19                          |
| <b>London Plan 2016</b> | <b>2015/16</b> | 3,121               | 3,931                        | -810                        |
|                         | <b>2016/17</b> | 4,260               | 3,931                        | 329                         |

Table 1: Housing delivery 2011 – 2016 (LBTH, Assessment of Five-Year Housing Land Supply and Local Plan Housing Trajectory, position at August 2017)

### New homes bonus

5.2. The New Homes Bonus Scheme provides funding for areas that allow new homes to be built in their area. Under the scheme the Government matches the council tax raised from new homes for the first six years.

5.3. Tower Hamlets is consistently amongst the highest recipients of New Homes Bonus and cumulatively in the 6 years since the scheme started, Tower Hamlets has been awarded 62% more money than Islington which is London's second largest recipient, reflecting the ability of the council to deliver new homes.

### Affordable Housing Delivery

5.4. Tower Hamlets has an overarching affordable housing target of 50%, with a target for individual schemes of 35% - 50%. Table 2 evidences that Tower Hamlets has delivered significant levels of affordable housing and has achieved a greater annual average delivery rate than

the London three-year (2013/14 – 2015/16) average of 24%<sup>1</sup>. However against the affordable housing target established in the current Local Plan of 50% of overall delivery and a target of 35% - 50% on individual major schemes (10 units or more), the current 50% target has never been met and the 35% target has been missed in 3 years.

| Year   | 2012/<br>13 | 2013/<br>14 | 2014/<br>15 | 2015/<br>16 | 2016/<br>17 |
|--|-------------|-------------|-------------|-------------|-------------|
| <b>LLD Affordable Housing</b>                | 262         | 691         | 730         | 822         | 1,008       |
| <b>% of affordable housing delivery (hr)</b> | 34%         | 34%         | 35.6%       | 41%         | 23.6%       |

**Table 2: Affordable Housing Delivery: Assessment of Five-Year Housing Land Supply and Local Plan Housing Trajectory, position at August 2017 (LBTH)**

5.5. The Proposed Submission Local Plan maintains these targets and introduces affordable housing contributions for small sites in order to increase affordable housing delivery to meet identified need.

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<sup>1</sup> GLA, Annual Monitoring Report 13 (GLA, 2017)

## **6. Projected Housing Supply**

6.1. The 5 year housing supply and 15 year housing trajectory outline the borough's anticipated housing delivery. Further details on the data sources and methodology is provided in Appendix 7 of the Proposed Submission Version of the Draft Local Plan and 'Assessment of Five-Year Housing Land Supply and Local Plan Housing Trajectory, position at August 2017'.

### 5 Year Housing Supply

7.2. The following table outlines the council's 5 year housing supply in relation to the housing target, demonstrating that Tower Hamlets have a deliverable supply equivalent to 5.2 years (based on a total five year supply requirement of 21,143 homes, including a 5% buffer, and a deliverable supply of 21,930 homes between 1 April 2017 and 31 March 2022).

| Monitoring year          |  | 2017/<br>18  | 2018/<br>19  | 2019<br>/20  | 2020/<br>21  | 2021/<br>22  | Total         |
|--------------------------|--|--------------|--------------|--------------|--------------|--------------|---------------|
| Conventional housing     | Under development                              | 3,409        | 2,332        | 3,222        | 3,150        | 1,545        | 13,658        |
|                          | Planning permission <sup>2</sup>               | 292          | 30           | 2,169        | 1,511        | 1,239        | 5,241         |
|                          | Site allocations                               | 0            | 0            | 224          | 224          | 427          | 875           |
|                          | Strategic Housing Land Availability Assessment | 78           | 78           | 100          | 100          | 200          | 555           |
|                          | Windfall allowance <sup>3</sup>                | 215          | 215          | 215          | 215          | 215          | 1,075         |
| Non-conventional housing | Under development                              | 100          | 100          | 100          | 100          | 12           | 412           |
|                          | Full planning permission                       | 0            | 0            | 114          | 0            | 0            | 114           |
| <b>Total</b>             |  | <b>4,094</b> | <b>2,755</b> | <b>6,144</b> | <b>5,300</b> | <b>3,638</b> | <b>21,930</b> |

|  |               |
|--|---------------|
| 5 Year housing target (2016/17 to 2020/21) (London Plan) | 19,655        |
| Under supply (2015/16) <sup>4</sup>                      | -481          |
| Housing target plus under/over supply                    | 20,136        |
| 5% buffer  | 1,007         |
| <b>Five year housing requirement</b>                     | <b>21,143</b> |

|  |            |
|--|------------|
| Five-year housing supply                               | 21,930     |
| Five-year housing requirement                          | 21,143     |
| Housing supply divided by housing requirement          | 1          |
| Percentage of housing supply above housing requirement | 4%         |
| <b>Years' worth of housing capacity</b>                | <b>5.2</b> |

**Table 3: 5 year housing supply**

<sup>2</sup> Including prior approval, full planning permission, hybrid planning permission and outline planning permission, all of which have not yet commenced.

<sup>3</sup> For smaller sites (providing less than 10 homes), the assessment assumes a minimum windfall of 215 homes will come forward from smaller sites each year over the next 5 years. The assumption is based on average historic delivery rates achieved in Tower Hamlets over the last 5 years.

<sup>4</sup> LBTH, Assessment of Five-Year Housing Land Supply and Local Plan Housing Trajectory, position at August 2017

## 15 Year Trajectory

7.3. The housing trajectory for conventional and non-conventional supply in Tower Hamlets over the full Local Plan period (2016-2031), in relation to the housing target, is set out in Figure 1 and Table 5 below.

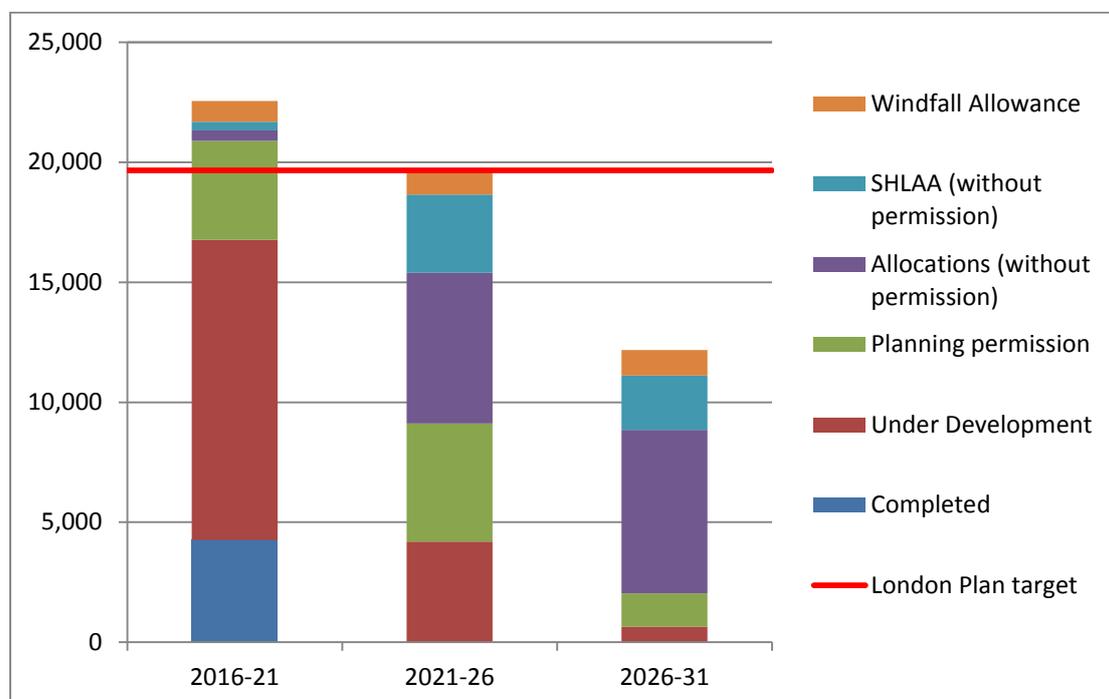


Figure 1: Housing pipeline and trajectory against targets

| Timeframe                       | Net additional housing target | Projected housing supply – Large sites and windfall sites | Number above or below the housing target |
|---------------------------------|-------------------------------|---|--|
| 2016-21                         | 19,655                        | 22,544  | 2,889                                    |
| 2021-26                         | 19,655                        | 19,730  | 75                                       |
| 2026-31                         | 19,655                        | 12,180  | -7,475                                   |
| <b>The plan period: 2016-31</b> | <b>58,965</b>                 | <b>54,455</b>   | <b>-5,320</b>                            |

Table 4: Housing pipeline and trajectory against targets

7.4. As outlined in section 3 above, the emerging scenario for the new London Plan target following the SHLAA work undertaken by the GLA and LBTH is 3,511 homes a year, but subject to public consultation, examination and central government sign off, which may result in changes. Table 4 outlines a comparison between the housing delivery

shortfall against the current and proposed London Plan targets and shows that the new draft target would significantly reduce the anticipated shortfall and almost eliminate it.

|  |                                |
|--|--------------------------------|
| Current London Plan Annual Target  | 3,931                          |
| New London Plan Annual Target  | 3,511                          |
| This difference per year   | <b>420 less homes per year</b> |
| Current housing shortfall  | -5,320                         |
| Total reduction to 2031 (assuming new target begins in 2019/20)<br><b>420 * 12 years</b> | 5,040                          |
| Surplus/shortfall in 2031  | <b>-280</b>                    |

**Table 5: Comparison of housing delivery shortfall against current and proposed London Plan targets**

## 7. Delivery Considerations

### Land Availability

- 7.1. Tower Hamlets is amongst the smallest London boroughs. Due to the history of the borough's development, there has been a significant transformation in land use from industrial use to residential uses over the last 20 years. However the amount of available land which can be developed for residential use is reducing. In addition, the borough has undergone significant recent development, limiting the scope for the redevelopment and intensification of existing residential sites. The reducing amount of available land has been evidenced in 2017 SHLAA, which demonstrates decreasing land supply though the plan period.
- 7.2. In addition, while the draft (2017) Local Plan's primary land use is housing, it also seeks to safeguard land for other uses – primarily employment uses. Both London Plan evidence and local evidence<sup>5</sup> demonstrates that in order for the borough to meet regional and local employment needs, industrial and employment land must be protected. The evidence base suggests that an additional 945,333m<sup>2</sup> of employment floorspace and 45,000m<sup>2</sup> of industrial floorspace is required. Safeguarding existing office and industrial locations helps ensure this floorspace can be delivered.
- 7.3. The Proposed Submission Local Plan has introduced as much flexibility as possible into uses permitted on land safeguarded for employment, including allowing residential development in Local Industrial Locations and the outer areas of the Primary Office Location, as long as they are compatible with, and do not jeopardise the function and viability of the designation.
- 7.4. Another key land use is safeguarding waste sites. National Planning Practice Guidance requires sites and/or areas of search to be identified for waste uses. In addition, London boroughs have been set apportionment targets in the London Plan to manage waste on a strategic level in order to meet the goal of making London net self-sufficient. The amount of land we need to safeguard to meet our

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<sup>5</sup> Tower Hamlets Employment Land Review (Peter Brett Associates, 2016) and Tower Hamlets Primary Office Location Study (Peter Brett Associates, 2017)

apportionment target until 2036 is 5.27ha<sup>6</sup>. This requires the Local Plan to safeguard existing waste sites and identify areas of search for new waste sites, reducing available land for housing.

### Townscape and heritage considerations

7.5. Tower Hamlets is comprised of a number of diverse places, many of which relate to the historic hamlets from which the borough has developed. It has a long history of trade, industry and migration and as a result the borough's heritage is of international, national and local importance, characterised by enormous diversity and variety. This rich heritage resource includes historic buildings and archaeology; historic parks and open spaces; and historic townscapes. A third of the borough is within one of the borough's 58 conservation areas.

7.6. The council's objective and policies, in line with the NPPF and London Plan to protect or enhance the borough's heritage and historic assets influences the design and delivery of housing development. This is particularly in relation to suitable density, scale and height. Ensuring sensitivity to heritage and historic assets has fed into the SHLAA density assumptions and guides the council's response to the suitability of individual developments.

### Connectivity

7.7. Also informing the SHLAA assumptions are the Transport for London Public Transport Accessibility Levels (PTAL), which influence the assumed density of future development sites. While Tower Hamlets is extremely well connected, there are parts of the borough, in particular the east of the borough along the river Lea, and to a lesser degree the south of the Isle of Dogs, where the current and future PTAL rating is low, reducing the density of development which can be sustainably delivered. This has acted as a constraint on density assumptions for SHLAA sites.

### Infrastructure

7.8. Closely related to 'connectivity' above, another key development constraint is the level of available infrastructure, including community

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<sup>6</sup> Tower Hamlets Waste management Evidence Base Review (Anthesis, 2017)

and leisure facilities and open space. The borough's infrastructure needs were assessed in the Infrastructure Delivery Plan (2017).

7.9. This influenced site allocations by removing land available for housing in order to take account of the social infrastructure the site would be expected to deliver. This additional land use was also reflected in the assumed housing figures on site allocations<sup>7</sup> within the SHLAA.

7.10. The need for new infrastructure, delivered at the right time, is key to delivering sustainable growth and supporting higher development densities. This has also been a determining factor for the level of additional growth potential within the borough's Opportunity Areas<sup>8</sup>.

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<sup>7</sup> Site allocations are sites in the borough which have been identified as able to accommodate new homes and jobs alongside necessary infrastructure such as open space, health and education facilities.

<sup>8</sup> Opportunity areas are designated in the London Plan (GLA, 2016) and are considered to be London's main opportunities for accommodating large-scale new development to provide substantial numbers of new employment and housing, due to transport connectivity, land availability and deliverability.

## 8. Addressing the Shortfall

8.1. The housing trajectory presents a snapshot of assumed housing delivery over the new Local Plan's plan period, using the most up-to-date data available. It's accuracy is affected by methodology assumptions and the limited available inputs. As housing delivery is constantly evolving, there is inevitably a discrepancy between the assumed trajectory and delivery. This discrepancy increases over time as assumptions and data become increasingly out of date.

8.2. Therefore it is anticipated that through delivering the new Local Plan, more homes will be delivered than currently assumed in the trajectory, which will reduce the projected shortfall from 2025.

8.3. The following section explores a number of methodological and delivery factors which could not be factored into the SHLAA or housing trajectory, but which will result in the potential increase in housing delivery.

### Density:

8.4. Tower Hamlets has on average been delivering housing at significantly greater densities than elsewhere in London and as outlined by the London Plan (2016) density matrix (see figure 2).

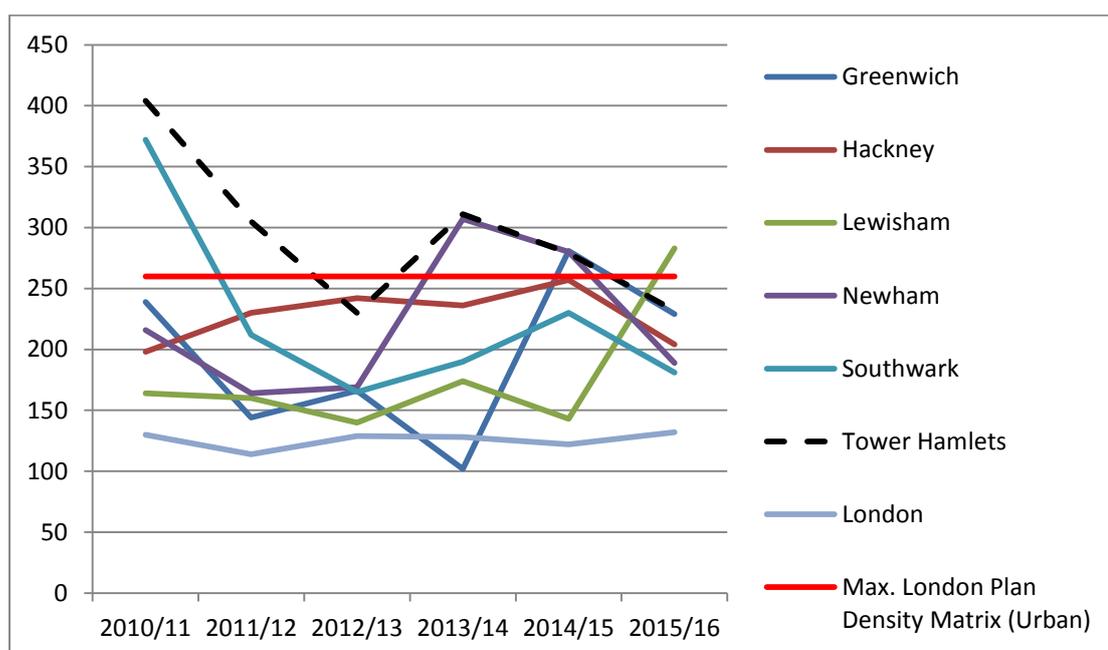


Figure 2: Density of residential approvals by borough (dph), GLA Annual Monitoring Report 13

8.5. The GLA SHLAA assumes that sites will deliver densities within the London Plan (2016) density matrix<sup>9</sup>. Corrected density figures were added for sites with planning permission, sites under delivery and those site allocations where further details on capacity were available (as per table 3). However the average SHLAA densities were assumed for the remaining site allocations and SHLAA sites. As shown in Figure 1, this is a significant proportion of delivery in the latter ten years of the plan period. While each application will have to be assessed individually against the development plan requirements, is therefore likely that these sites may deliver more homes than has currently been assumed.

#### Early Delivery:

8.6. A significant number of units in the 2017 GLA SHLAA assessment are currently considered to only be partially or wholly deliverable beyond the plan period. There is an identified potential of over 5,000 homes between the end of the plan period and the end of the GLA SHLAA period (2031 – 2041). This assessment was made on the basis of limited recent planning activity in relation to each site. The GLA SHLAA Methodology (2017) provides the assumptions used to project assumed delivery dates.

8.7. However, the nature of development in Tower Hamlets and the substantial development interest in the borough means projects can come forward for delivery very rapidly and without needing significant local authority involvement. For example, a small number of sites that were projected to deliver housing post-2031 (according to the GLA SHLAA assessment) have since been brought forward into the Local Plan trajectory as a result of recent development activity or reduction in infrastructure constraints. This has added an additional 1,300 homes to the housing trajectory and indicates a high probability that more sites will be delivered within the plan period than currently anticipated<sup>10</sup>.

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<sup>9</sup> Greater London Authority Strategic Housing Land Availability Assessment Methodology (GLA, Nov. 2017)

<sup>10</sup> LBTH, Assessment of Five-Year Housing Land Supply and Local Plan Housing Trajectory, position at August 2017

## Infrastructure:

- 8.8. The council has an Infrastructure Planning Team who work closely with infrastructure providers, delivery partners and other relevant organisations to identify opportunities to deliver necessary infrastructure. The Infrastructure Delivery Plan identifies the infrastructure and services that will be required to meet the anticipated growth targets and objectives set out in the Local Plan. It is not an exhaustive list and other items will be required, as appropriate, in response to new development in the borough.
- 8.9. The majority of future infrastructure projects will be financed from monies secured through section 106 agreements and the Community Infrastructure Levy. However, the exploration, identification and use of other funding sources (e.g. grants, subsidies and crowd-funding) will also require us to work with partner organisations and other stakeholders (including Transport for London, Greater London Authority, Department for Local Government and other government departments) to maximise the monies available to deliver infrastructure projects.
- 8.10. When funding for, or delivery of, significant infrastructure has been secured, this is likely to enable early housing delivery or greater densities of development to be delivered, than has currently been projected in the housing trajectory.

## Brownfield Register:

- 8.11. The brownfield register is a new statutory requirement on local authorities to prepare and maintain registers of brownfield land that is suitable for residential development. Their purpose is to help identify suitable sites for housing development. In particular smaller sites, which could be taken forward by smaller developers.
- 8.12. While the majority of the sites currently being added to the register are those which have already been included in the SHLAA, its nature as a live and regularly updated register, means that over the plan period we are likely to identify further developable sites, which may increase housing delivery in the borough over the plan period.

## Greater London Authority Funding Programme for 2016 - 21:

8.13. In July 2017, the GLA announced the results of the first allocations from the 2016 – 21 affordable housing funding round. Public information provided, indicates an anticipated delivery of 1,205 homes in Tower Hamlets. While some of these sites are already within the planning pipeline and therefore included in the SHLAA, a significant number of them are not, and their delivery will constitute new supply, not yet included in the trajectory.

## Council Delivery

8.14. The Mayor of Tower Hamlets has a target to deliver 1,000 council-enabled affordable homes. While around half of the homes have either been delivered or are in the planning system and counted within the trajectory, the council is currently carrying out feasibility studies for approximately another 500 new build homes<sup>11</sup> with a target date for planning applications of April 2018. As these are at an early stage of consideration, they were not included in the SHLAA or housing trajectory but are likely to be delivered within the plan period.

## New Housing Companies:

8.15. In February 2017, the council established two new housing companies:

- A Wholly Owned Company with a commercial purpose to provide homes for rent and sale, returning a dividend to the council from long term profit-making activities; and
- A charitable Community Benefit Society to provide homes for sub market rent, subsidised by grant of land and retained Right to Buy receipts, made possible by governance arrangements within which the council holds a minority position.

8.16. The companies will be funded through general fund capital, prudential borrowing, Right to Buy 'one-for-one' receipts and section 106 affordable housing commuted sums. Whilst the initial stock of homes will be acquired through buying existing units, their main purpose is to deliver new build homes primarily on existing council owned sites, including housing revenue account land. The new build

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<sup>11</sup> Housing Capital Projects: Pipeline Schemes ( July 2017)

development plans are expected to commence delivery in January 2018<sup>12</sup>.

- 8.17. As sites for such delivery have yet to be formally identified, they were not included as potential SHLAA sites and therefore any potential housing units have not be incorporated into the housing trajectory.

#### Housing Zone:

- 8.18. In 2015 Tower Hamlets successfully bid for GLA Housing Zone status for Poplar Riverside. This will provide access to funding for interventions to accelerate housing delivery. The council is focussed on ensuring a significant amount and mix of affordable homes as well as the delivery of key infrastructure to improve connectivity across the A12, A13 and the River Lea, which currently act as significant local barriers to movement
- 8.19. The Zone covers a series of ten sites and received an indicative funding allocation of £78.96 million to deliver over 9,000 homes in the next 15 years. A number of the Housing Zone sites are also site allocations or have some degree of planning permission. However some sites have not yet progressed that far and exact funding agreements have not yet been determined. This means the interventions and the impact they may have on site densities and housing delivery have not been factored into the housing trajectory. It is likely that delivery will be greater than currently assumed.
- 8.20. It is important to note that the Housing Zone also includes three sites which are designated industrial locations (two Local Industrial Locations [LIL] and one Strategic Industrial Location [SIL]), as well as a safeguarded waste site. The Local Plan seeks to protect these sites as primarily for industrial uses, in line with local and London-wide evidence as to the economic need for industrial space in the borough. However the new Local Plan does allow alternative uses on LILs, as long as they are compatible with, and do not jeopardise the function and viability of, the LIL.

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<sup>12</sup> Establishing Housing Delivery Vehicles ( February 2017)

## Opportunity Area Planning Frameworks (OAPF):

### Isle of Dogs and South Poplar

8.21. The GLA is currently drafting an OAPF for the Isle of Dogs and South Poplar, the primary purpose of which is to provide a more co-ordinated approach to development currently occurring in the Isle of Dogs and South Poplar and to help overcome the infrastructure challenges and maximise the infrastructure opportunities, to enable the delivery of new homes. The council considers that the level of housing delivery the GLA considers feasible on the Isle of Dogs is only sustainable where supported by adequate infrastructure provision and improved place making. The council is therefore supportive of the GLA's approach to find solutions to the social and transport infrastructure constraints. We will continue to work with the GLA and other partners to secure the funding required to deliver the infrastructure required to enable sustainable development on the Isle of Dogs. This may, where sustainable, result in higher delivery rates than currently anticipated in the trajectory.

### Lower Lea Valley

8.22. The Lower Lea Valley OAPF was written in 2007 in order to maximise the opportunities from the London 2012 Olympic Games. The GLA is now considering updating this designation and creating a new Opportunity Area but for a smaller area: Poplar Riverside, which could be supported by a new planning framework. The new OA designation will incorporate the parts of the Lower Lea Valley area that are outside the Olympic SPG and LLDC areas. It will contain the Poplar Riverside Housing Zone on the Tower Hamlets side of the River Lea. The focus of the proposed Opportunity Area will be to overcome connectivity transport and social and community infrastructure constraints, and deliver high quality place making to shape new neighbourhoods. This will maximise the opportunities offered by the housing zone funding and increase the level of housing delivery, in particular family housing, beyond that currently estimated in the Local Plan trajectory. The council would be supportive of such an approach.

## 9. Monitoring and Response

9.1. The council is confident that the above delivery factors and approaches, combined with an anticipated lower London Plan housing target, will reduce or eliminate the projected housing shortfall. However, the council is aware that the plan will need to be resilient to changing circumstances and be flexible and responsive if the plan is not delivering in accordance with the monitoring framework (section 5 of the proposed submission document).

9.2. To demonstrate continued work towards meeting this target the council will closely monitor the delivery of housing against the current and future housing target in the Annual Monitoring Report (AMR) and 5 year housing supply assessment.

9.3. Should the above delivery mechanisms not operate as anticipated and delivery remain consistently below the housing target, due to reasons which can be influenced through the planning process, we will take appropriate remedial action to increase the supply of housing. Such action may involve the following.

- Assessing risks to site deliverability and identifying appropriate actions to reduce risk.
- Establishing relationships and working closely with developers and landowners on appropriate sites. For example, this could involve the formation of a development team to include key service and infrastructure providers as well as developers and the necessary specialist expertise.
- Pre-application discussions with developers/owners to increase certainty in the development process and to address any planning issues early on.
- Assessing and identifying alternative deliverable sites which are in conformity with the vision and objectives of the Local Plan or other appropriate mechanisms.
- Utilising the council's own land and powers to assist in delivery.
- Undertaking a partial or phased review of the plan where there is a need to include policies and allocations to enable higher rates of housing.

## **10. Conclusion**

- 10.1. In light of the currently anticipated shortfall between the borough's current housing target and housing trajectory, this strategy has outlined the range of approaches the council is taking to maximise housing delivery.
  
- 10.2. This is despite the reduced borough housing target to be published in the Regulation 18 London Plan in November 2017, which reduces the currently estimated delivery shortfall. The council views this revised target to better reflect the borough's future available land and the deliverability of development.