

AFFORDABLE HOUSING STATEMENT

Faraday Works at Westminster Industrial Estate, Charlton Riverside

On behalf of:

UAI (WIE) Limited

Date: March 2024





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1 Introduction and Instructions

- 1.1 Gerald Eve LLP is instructed by UAI (WIE) Limited (“the Applicant”) to produce an Affordable Housing Statement (‘AHS’) in support of amended planning application (“the Application”) for the redevelopment of Faraday Works at Westminster Industrial Estate, Charlton Riverside (“the Site”) located within the administrative boundary of the Royal Borough of Greenwich (“RBG” or “the Council”).
- 1.2 The Site is located in North Charlton, in the Royal Borough of Greenwich, and is situated within the Charlton Riverside opportunity area. The Charlton Riverside Opportunity Area extends to approximately 122 ha (302 acres) and is bounded by the River Thames to the north, Horn Link Way/Pear tree Way to the west, Warspite Road to the east and Woolwich Road to the south. The site is broadly equidistant between Woolwich Dockyard and Charlton Train stations (Zone 3).
- 1.3 This Affordable Housing Statement is Submitted on behalf of the Applicant.
- 1.4 The remainder of this report is set out as follows:

2) The Proposed Scheme

3) Local Planning Context: Affordable Housing

4) Financial Viability and Overall Affordable Housing Proposal

5) Detailed Affordable Housing Proposal: Tenure and Mix of Units

6) Detailed Affordable Housing Proposal: Rental Levels and Affordability

7) Concluding Statement

2 The Proposed Scheme

- 2.1 The Scheme amendments fall under the remit of the live planning application (ref: 19/4304/F) and the accompanying application for listed building consent (ref: 21/2455/L).
- 2.2 The Scheme changes have evolved in collaborative consultation with the Council's planning, urban design and heritage officers from detailed design and heritage reviews. They follow scheme revisions in June 2021 which sought to address the change in site characteristics and heritage status following the statutory Grade II listing of No. 37 Bowater Road, with the Junction Box (No. 25 Bowater Road), Wire Workshop (No. 18-32 Bowater Road) and Unity House (No. 17-21 Bowater Road) retaining locally listed status.
- 2.3 The Applicant is proposing changes to a live application for a mixed-use development comprising up to 359 residential units, as well as commercial and community floorspace ("the Proposed Scheme"). The description of development is as follows:

'Redevelopment of the north-western parts of Westminster Industrial Estate to provide a residential-led mixed use scheme comprising 359 residential units and 8,085sq.m (GIA) of commercial floorspace comprising:

- up to 5,028sq.m (GIA) office/commercial floorspace (Use Class E (g) (i-iii));

- up to 2,636sq.m (GIA) commercial/industrial and/or storage and distribution floorspace (Use Classes E (g) (i-iii), B2 and/or B8); and

- up to 421sq.m (GIA) of community/affordable workspace (Use Class F1/F2 and/or Class E (g) (i-iii))

through the erection of two new mixed-use buildings and a new general/light industrial building; the refurbishment and extension of 37 Bowater Road, 18-32 Bowater Road (The Wire Workshops) and 25 Bowater Road (The Junction Box), the external and ground floor refurbishment of 17-21 Bowater Road (Unity House), together with new public realm (hard and soft landscaping), vehicular and cycle parking, access and servicing arrangements, plant and all associated works.'

Table 1: Proposed Uses by Building

Type	Use	GIA (sqm)	GIA (sq. ft)
Building A: 37 Bowater Road	E(g)(i-iii) Office/Other Commercial, E(g)(i-iii)/F1/F2 Community/Affordable Workspace & C3 Residential	16,965	182,610
Building B: Bowater Building	E(g)(i-iii) Office/Other Commercial, & C3 Residential	5,412	58,254
Building C: Junction Box	E(g)(i-iii) Office/Other Commercial, & C3 Residential	7,231	77,834
Building D: Faraday Building	E(g)(i-iii) Office/Other Commercial, E(g)(i-iii)/F1/F2 Community/Affordable Workspace & C3 Residential	7,375	79,384
Building E: Wire Workshops	E(g)(i-iii) Office/Other Commercial	3,555	38,266
Building F: Faraday Industries	E(g)(i-iii) B2/B8 – Commercial, Industrial Processes and/or storage and Distribution	687	7,395
Building G: Unity House	E(g)(i-iii) B2/B8 – Commercial, Industrial Processes and/or storage and Distribution	1,949	20,979

Source: Applicant

Table 2: Private Residential Housing

Type	Units	NIA (sqm)	NIA (sq. ft)
37 Bowater Road	157	10,820	116,465
Bowater Building	61	3,670	39,504
Junction Box	69	5,070	54,573
Faraday Building	56	4,081	43,928
Total	343	23,641	210,542

Source: Applicant

Affordable Housing

- 2.4 The Applicant is proposing an affordable housing provision at 5% by habitable room in line with the previous June 2021 planning submission. The Scheme provides 16 Total Affordable Units, with the tenure split 75/25 between Affordable Rent and Intermediate.
- 2.5 Further detail is provided in Section 4 of this report.

3 Planning Context

- 3.1 This section provides a brief overview of key planning policies associated at national, regional and local level including an overview of the planning background relating to the Application. Additional reference should be made to the National Planning Policy Framework ('NPPF'), the Planning Practice Guidance ('PPG'), the London Plan, the Mayor's Housing SPG, the Royal Borough of Greenwich's Local Development Framework as well as the New London Plan.
- 3.2 The London Plan states that Boroughs should seek the maximum reasonable amount of affordable housing when negotiating residential schemes. In achieving this, Boroughs should consider economic viability together with individual circumstances of the Site and Scheme. It follows it is necessary for a developer to seek to obtain a planning permission capable of implementation that provides a return reflecting the risks associated with the overall investment. This will determine what is reasonable in respect of affordable housing levels as well as potential obligation payments.
- 3.3 The affordable housing strategy for the Application has been set in accordance with National and Regional Planning Policy guidance and has had regard for the following:
- National Planning Policy Framework (2023), ('NPPF').
 - The London Plan (March 2021).
 - Mayor's Affordable Housing and Viability Supplementary Guidance (August 2017), ('SPG').
 - We are also aware of the Draft Mayors Affordable Housing and Development Viability Guidance – Consultation document (May 2023).
- 3.4 It should be noted the Royal Borough of Greenwich are currently in the process of producing a new Local Plan to replace the current adopted Core Strategy. The new Local Plan will set out the Council's vision for the development of Royal Greenwich over the 15-year period 2021 to 2036. Consultation took place from July 2023 to September 2023, but the new plan is yet to be adopted.
- 3.5 Thus locally, the affordable housing strategy for the Application has been has regard to the Royal Borough of Greenwich's policies and guidance as adopted in the Royal Greenwich Local Plan (July 2014).

National Planning Policy Framework

3.6 The National Planning Policy Framework (“NPPF”) published in September 2023 sets out the Government’s planning policies for England and how these are expected to be applied. The NPPF has a clear presumption in favour of sustainable development and in determining planning applications local planning authorities should take account of this.

3.7 The NPPF recognises the place of viability testing, in both plan-making and decision-making.

3.8 Paragraph 58 of the NPPF states:

“Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available.”

3.9 National Planning Guidance (NPG) refers to viability under Planning Obligations (updated September 2019) and Viability (published 6 March 2014 and updated July 2018 and February 2024). This report deals with each in turn.

Planning Obligations

3.10 Planning Practice Guidance (‘PPG’) states:

3.11 *“Planning obligations assist in mitigating the impact of unacceptable development to make it acceptable in planning terms. Planning obligations may only constitute a reason for granting planning permission if they meet the tests that they are necessary to make the development acceptable in planning terms. They must be:*

- *necessary to make the development acceptable in planning terms;*
- *directly related to the development; and*
- *fairly and reasonably related in scale and kind to the development.*

These tests are set out as statutory tests in regulation 122 (as amended by the 2011 and 2019 Regulations) and as policy tests in the National Planning Policy Framework. These tests apply whether or not there is a levy charging schedule for the area. (Paragraph: 002 Ref ID 23b-002-20190901).

- 3.12 The PPG (Paragraph: 011 Reference ID: 23b-011-20190315) recommends the following is required to support negotiations on planning applications:


“Plans should be informed by evidence of infrastructure and affordable housing, and a proportionate assessment of viability that takes into account all relevant policies, and local and national standards, including the cost implications of the Community Infrastructure Levy (CIL) and planning obligations.

Viability assessment should reflect the recommended approach set out in the viability guidance, including standardised inputs, and should be made publicly available.

Where a viability assessment is submitted to accompany a planning application this should be based upon and refer back to the viability assessment that informed the plan; and the applicant should provide evidence of what has changed since then”.

Regional Planning Policy – The London Plan (2021)

- 3.13 The London Plan (March 2021) is the Regional Spatial Strategy for Greater London defined to include the 32 Boroughs and the City of London. The aim of the London Plan is to set out a framework to co-ordinate and integrate economic, environmental, transport and social considerations over the next 20 to 25 years. The London Plan forms the London-wide policy context within which the Boroughs set their local planning agendas, and forms part of the statutory Development Plan.
- 3.14 The London Plan builds upon many of the policies set out at the national level with a significant emphasis upon achieving development in the most suitable and sustainable of locations, prioritising the use of previously developed land and making the most efficient use of available land.
- 3.15 The growth and management of the city form the major challenge and overarching concern of the London Plan and are prioritised in order to allow London to excel among global cities within the context of significant rates of development and population increases. The detailed objectives of the Plan seek to ensure that London are set out below:
- A city that meets the challenges of economic and population growth.
 - An internationally competitive and successful city.
 - A city of diverse, strong, secure and accessible neighbourhoods.

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- A city that delights the senses.
 - A city that becomes a world leader in improving the environment; and
 - A city where it is easy, safe and convenient for everyone to access jobs, opportunities and facilities.
- 3.16 Policy H4 – Delivering Affordable Housing sets out the strategic target of 50 per cent for all new homes delivered across London to be genuinely affordable. This includes developments delivered on public land, if grant funding is available to enable delivery beyond the level that would otherwise be provided and
- 3.17 Policy H5 - Threshold Approach to Applications applies to major development proposals which trigger affordable housing requirements. The threshold level of affordable housing on gross residential development is initially set at:
- minimum of 35 per cent; or
 - 50 per cent for public sector land where there is not portfolio agreement with the mayor; or
 - 50 per cent for Strategic Industrial Locations, Locally Significant Industrial Sites and Non-Designated Industrial Sites appropriate for residential uses.
- 3.18 Policy H6 – Affordable Housing Tenure split should be applied to residential development:
- minimum of 30 per cent low cost rented homes, as either London Affordable Rent or Social Rent, allocated according to need and for Londoners on low incomes.
 - minimum of 30 per cent intermediate products which meet the definition of genuinely affordable housing, including London Living Rent and London Shared Ownership.
 - remaining 40 per cent to be determined by the borough as low-cost rented homes or intermediate products.
- 3.19 To follow the Fast-Track Route, the tenure of 35% of homes must meet the requirements.


Mayor's Affordable Housing and Viability Supplementary Guidance (August 2017)

- 3.20 The Mayor's Housing SPG (March 2016) provides updated guidance on a range of strategic policies including housing supply, residential density, housing standards; build to rent developments, student accommodation and viability appraisals. This SPG replaces the Mayor's Housing SPG 2012 and the Mayor's Housing Standards Policy Transition Statement.
- 3.21 In August 2017 the Mayor published the final SPG. We have therefore had regard to the SPG in this statement.
- 3.22 The key theme from the SPG is the GLA's flexibility with regards to tenure mix on new developments. Point 2.40 of the document refers to the following flexibility allowed in regard to tenure mix is applied to the scheme.
- 30% low-cost rent (social rent or affordable rent) with rent set at levels that the LPA considers genuinely affordable.
 - 30% as Intermediate products, with London Living Rent and/ or shared ownership being the default tenures assumed in this category.
 - The remaining 40% to be determined by the relevant LPA.
- 3.23 Further guidance on the above tenures as rental levels is discussed in Section 6 of this statement.

Local Planning Policy – Local Plan (July 2014)

- 3.24 At the local level, the Royal Greenwich Local Plan (July 2014) sets out the strategic policies for the borough, outlining how the borough intends to develop over the next 15 years and accommodate sustainable levels of growth.
- 3.25 Policy H1 (*New Housing*), of the Royal Greenwich Local Plan (July 2014) sets out the Council's overall borough-wide strategic target to meet a minimum of 38,925 additional dwellings over a 15-year time frame (2013-2028), which is an average of 2,595 a year as determined by the London Plan 2011. The new housing is set to be provided in the borough's six 'Strategic Development Locations'.
- 3.26 Policy H2 (*Housing Mix*), suggests that all developments must include a mix of dwelling types and sizes. The mix will vary between sites depending on location and the character of the surrounding area, and the provision of new housing aims to meet the specific housing needs of the population in addition to the general housing need in terms of numbers.

- 3.27 Policy H3 (*Affordable Housing*) sets out the requirement of developments of 10 or more homes, or residential sites of 0.5 hectares or above to provide a minimum of 35% affordable housing. The policy also outlines that the exact percentage, distribution and type of affordable housing required will be decided based on the circumstances and characteristics of the particular site and development, for example financial viability.
- 3.28 Within this policy, it specifies that there is a current need for more affordable housing in Royal Greenwich from lone person households, family housing, older persons and special needs housing, therefore the policy targets the backlog and newly arising need.
- 3.29 The policy states that of the affordable housing provided, 70% should be social/affordable rented, and the remaining 30% should be intermediate housing. According to the plan, this split is better suited to Royal Greenwich as it reflects the high demand for social rented housing and more limited need for intermediate housing. It is also proposed that affordable housing should be distributed across a development site to encourage the creation of balanced communities.
- 3.30 It is acknowledged that the mix and rent levels of the affordable rented housing will vary between areas, yet the plan suggests that for the majority of the borough, an affordable rent level would be set at 80% of market rent.
- 3.31 The intermediate housing shall be secured through a legal agreement which will include an Affordable Housing Marketing Plan, which aims to equally prioritise the proportions of households in different income bands, provided that the proportion of disposable income required to finance the purchase is not above 40%. Regarding the intermediate units without the Social Housing Grant and the sale units with affordable housing discount, priority will be given to households with a gross income up to £49,500, given that the proportion of disposable income needed to fund the purchase is not in excess of 50%.
- 3.32 Policy H4 (*Gypsy and Traveller Needs*) states that the Royal Borough intends to retain the existing provisions for Gypsies and Travellers, and the need for additional provision will be reviewed in collaboration with the neighbouring boroughs. New sites are to be allocated through a site allocations local plan, or another appropriate cross-boundary DPD, and any new provisions must include basic amenities and services.
- 3.33 Policy H5 (Housing Design) states that new developments, redevelopments, refurbishments or conversions must be to a high quality of housing design and integrate into the surrounding environment, accounting for the relationship between the area's character, the site location and housing densities. Policy H5 details specific standards and requirements for different types of



residential dwelling, also referring to density, which will be guided by local context in accordance with the London Plan.

Planning Policy Summary

- 3.34 A review of national, regional and local policies demonstrates that the local authority is generally aligned with national and GLA policies.
- 3.35 The affordable housing policy agenda has undergone important change at the London level, with the emergence of GLA policy through the SPG. The SPG supports flexibility within affordable housing offers and encourages LPAs to adopt this strategy.
- 3.36 The London Plan reflects this approach also.
- 3.37 The Royal borough of Greenwich local policies seek the provision of at least 35% affordable housing on all developments of 10 or more homes, or residential sites of 0.5 hectares or above.
- 3.38 As referenced in policy, the Council seeks 70% Social-Affordable and 30% Intermediate. This mix is deemed suitable to Royal Greenwich as it better represents the local higher demand for social rented housing and relatively limited take up of intermediate housing.

4 Financial Viability and Overall Affordable Housing Proposal

- 4.1 This section of the report sets out the proposed affordable housing offer. In accordance with planning policy, the level of affordable housing that can be supported by the proposal is determined by scheme viability.
- 4.2 On behalf of the Applicant, Gerald Eve LLP tested the planning obligations including the provision of affordable housing on the Site.
- 4.3 Overall, the viability assessment has concluded that a total of 5% by habitable room and 4% by unit affordable housing can be provided across the Scheme. This will be subject to a broad policy compliant split.
- 4.4 The proposed affordable housing offer is set out in the following table:

Table 3: Proposed Affordable Housing Offer

Tenure	No. of Units	NIA (sq. ft)	Average £psf
London Affordable Rent (LAR)	12	9,504	£222
London Living Rent (LLR)	4	3,3046	£329
Total Units / Blended £psf	16	12,552	£254

Source: Gerald Eve

- 4.5 The affordable housing proposal represents the provision of 5% by habitable room and 4% by unit. This equates to a total of 16 total affordable units that will all be delivered across the proposed scheme.

5 Detailed Affordable Housing Proposal: Tenure and Mix of Units

5.1 This Section provides further detail on affordable housing within the RBG, and the Applicant's affordable proposal is then discussed. The proposal is subject to further discussions with Council Officers.

5.2 The NPPF (2023) defines affordable housing as follows:

Affordable housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers).

5.3 Affordable Housing products fall into two broad categories; Social/ Affordable Housing and Intermediate Housing.

Social / Affordable Housing

5.4 In line with the NPPF, affordable housing for rent is set in accordance with Governments rent policy for Social Rent (SR) or Affordable Rent (AR) or is at least 20% below local market levels.

5.5 Social Rented homes are for households on low incomes where the rent levels are based on the formulas in the Social Housing Regulator's Guidance. The rent levels for SR homes use a capped formula (SPG).

5.6 Affordable Rented homes represent a discount of up to 80% market levels.

5.7 London Affordable Rent (LAR) homes are a form of Social / Affordable Housing and are capped at benchmark levels published by the Greater London Authority (SPG).

5.8 Overall, a total of 12 Affordable Rented units will be provided. This equates to 75% of the total affordable housing offer on a unit basis.

Intermediate Housing

5.9 Intermediate Rent (IR) is the intermediate product that will be provided as part of this scheme.

5.10 Intermediate Housing includes:

"Intermediate housing includes 'low-cost home ownership' products and 'discount market rent' products" (pp.24).

- 5.11 Overall, a total of 4 London Living Rent units will be provided. This equates to 25% of the total affordable housing offer on a unit basis.

Mix of Units

- 5.12 A breakdown of the proposed affordable housing mix is set out in Tables 4 & 5.

Table 4: Social Affordable Rent Unit Breakdown

Faraday Building (LAR)	1B2P	2B3P	3B5P	Total
No. of Units	1	6	5	12
No. of Habitable Rooms	2	18	20	40

Source: Applicant

Table 5: Intermediate Rent Unit Breakdown

Faraday Building (LLR)	1B2P	2B3P	3B5P	Total
No. of Units	1	2	1	4
No. of Habitable Rooms	2	6	4	12

Source: Applicant

- 5.13 It is intended that a range of unit sizes will be delivered across the development. The design mediates between the Local Plan and need to deliver a high proportion of affordable housing, as well as the wish to maximise the number of units delivered in an acceptable planning volume while keeping within viability parameters.

Summary

- 5.14 The scheme delivers a range of different sized accommodation, including a large proportion of 2- and 3-bedroom units. Unit sizes are in line with GLA requirements and have been designed to comply with Lifetime Homes and the relevant accessible housing standards set out within the Local Plan.
- 5.15 The accommodation will meet the needs of a wide range of households, ranging from single person to larger families, across both affordable tenures.

6 Detailed Affordable Housing Offer: Income Levels & Affordability

6.1 This Section outlines the affordability of the proposed tenure split in further detail.

London Affordable Rent

6.2 75% of the affordable will be delivered as Affordable Rented Housing on a per unit basis and 77% on a habitable room basis.

6.3 It is proposed that the Social/ Affordable element of the scheme will have rental levels set in line with the London Affordable Rent (LAR) figures, as specified in the GLA's Homes for London Investment Prospectus. The units will be at rent levels calculated in line with the 2021-22 benchmarks. These reflect the formula rent cap figures for social rents uprated by CPI for September 2016 plus one per cent.

Table 6: London Affordable Rent Proposed Rent Levels 2024/25

Unit Type	London Affordable Weekly Rents Benchmark Levels (£)	Estimated Annual Household Income Approximate (£)
1 Bed	£187.10	£34,867
2 Bed	£198.09	£36,915
3 Bed	£209.09	£38,965

Source: GLA/GE

6.4 As service charges are paid in addition to the rental charge, it is anticipated that the level of service charge will be set at a reasonable and affordable level. The internal design and communal amenity space will be designed in a way that ensures durability and low maintenance ensuring service charges are kept to a minimum.

6.5 The weekly housing costs, inclusive of service charges, are calculated in line with GLA requirement that:

- No more than 3.5 times the household income threshold to buy.
- No more than 40% of net household income including rent and service charges (with net income assumed to be 70% of gross income).

6.6 Based on the above analysis, the above table sets out the annual household income levels that would be required in order to afford the weekly housing costs for these properties.

London Living Rent

6.7 Intermediate Housing includes:

“Intermediate housing includes ‘low-cost home ownership’ products and ‘discount market rent’ products” (pp.24).

6.8 Overall, a total of 4 Intermediate Rented units will be provided. This equates to 25% of the total affordable housing offer on a unit basis.

6.9 The Royal Greenwich Local Plan received an update dated 4 August 2016 to Policy H3 Affordable Housing, paragraph 4.1.16. Further to a Council decision, Royal Greenwich now applies the Greater London Authority's household income bands for intermediate housing.

6.10 The indicative rents proposed are at London Living Rent (LLR) levels, as at current day set out in the following table. An additional calculation has been provided on the annual household income required to afford weekly rental costs (inclusive of service charge). This calculation has been undertaken in line with GLA guidance that households should not spend more than 40% of their net income on housing costs.


Table 7: Rents set at equivalent to London Living Rent Levels

Unit Type	Weekly Rent	Estimated Annual Household Income Approximate (£)
1 Bed	£259.11	£48,286
2 Bed	£287.90	£53,651
3 Bed	£316.69	£59,016

Source: GLA/GE

6.11 The rental level adopted is in line with the GLA's published LLR rents for 2024/2025 rebased to the Charlton Village & Riverside ward.

6.12 It is assumed that the rents will be indexed on an annual basis in line with guidance from the Regulator for Social Housing on rental level increases.



6.13 The indicative calculations demonstrate that the LLR units will accommodate household income levels of up to £60,000 per annum.

6.14 It can be noted that this income level falls within the GLA Intermediate rented cap as required under Policy H11.

Summary

6.15 LAR is in line with both local and GLA policy for Social/ Affordable rented housing.

6.16 The Intermediate housing will be provided as London Living Rent. The proposed household income requirements for this product are within the Council and GLA requirements and will be accessible to households on income of under £60,000 per annum.



7 Conclusion

- 7.1 Affordable housing is an important element in the delivery of the proposed scheme.
- 7.2 The financial viability assessment for the scheme demonstrates that a total of 5% by habitable room and 4% by unit affordable housing, can be delivered within this scheme in line with RBG planning policy requirements.
- 7.3 To confirm, 75% London Affordable Rent and 25% Intermediate Rent will be provided across the affordable residential accommodation, exceeding the policy compliant tenure mix of 70/30 specified in the Royal Greenwich Local Plan.
- 7.4 The unit mix proposed provides some smaller homes, but mostly family sized accommodation which will be essential for the long-term sustainable management of a phased affordable housing scheme of this size.
- 7.5 The proposed LAR meets both the Council and GLA policies for rented housing and the affordability requirements associated with this.
- 7.6 It has been demonstrated that the affordability of the Intermediate Rent complies with GLA income and affordability requirements.