

Chapter 35

Diversity of Housing

Affordable & Market Housing, Housing Mix, Estate Renewal

35.1 INTRODUCTION

35.1.1 House prices in the Royal Borough are among the highest in the country. Affordability is therefore a significant issue, especially with ‘part ownership’ schemes. Demand for all types of housing is insatiable. However many houses are built, we cannot begin to satisfy demand, either for private sale or ‘affordable’ homes¹. Our strategic focus is therefore on achieving a diversity of housing in mixed communities, to reduce the potential of further polarisation between, in broad spatial terms, the north and south of the Borough.

35.1.2 In terms of the Core Strategy ‘vision’, the housing policies will have a positive impact by facilitating both the North Kensington regeneration and reinforcing Kensington and Chelsea’s international and national reputation as an attractive place to live, with prime residential areas. Residents’ quality of life should be improved by increasing the diversity of housing, providing more affordable housing and maintaining the quality of areas which are already sought after residential locations.

35.1.3 Diversity of Housing is an integral part of the Core Strategy’s central vision of Building on Success. It is central to stimulating regeneration in North Kensington, and vital to the residential quality of life.

CO 6

Strategic Objective for Diversity of Housing

Our strategic objective to have a diversity of housing is that at a local level, it will cater for a variety of housing needs, and is built for adaptability and to a high quality.

¹ Affordable Housing is defined in the Glossary.

35.2 WHAT THIS MEANS FOR THE BOROUGH

35.2.1 The strategic objective means that there will be a better mix of housing types and tenures throughout the Royal Borough, and more housing overall. It is estimated that over 65% of the net increase in new housing² will occur in Golborne (north), Abingdon (central) and Cremorne (south) wards. Significant sites in these wards are included in the Site Allocations Section of the Core Strategy and include the Kensal Gasworks site and Wornington Green (both Golborne ward), the various Warwick Road sites (Abingdon ward) and Lots Road Power Station (Cremorne ward).

35.3 POLICIES

Housing Targets

35.3.1 A minimum of 3,500 homes should be provided between 2007/8 and 2016/7 (350 units per year³). This housing target is based on evidence of the housing capacity in the Borough⁴, which formed the basis of the London Plan target. The work on the London-wide Strategic Housing Land Availability Assessment (SHLAA) indicates that this could go up significantly, principally because of the large strategic sites that have been identified through the Core Strategy. These sites have additional potential capacity, and subject to development, will deliver the required number of dwellings in the Royal Borough. The target is awaiting confirmation through the revised London Plan however; the Borough will be planning for 600 net additional units per annum, once the revised London Plan is adopted⁵. These targets are derived from the SHLAA and monitoring evidence to identify sufficient specific deliverable sites in the initial five years of the Core Strategy, with a further supply of developable sites for years 6-10. Beyond this, the Core Strategy sets broad locations for future growth. Delivery will be monitored to manage the supply of land to deliver the housing requirements over the next five years of the housing trajectory. The Housing Trajectory (see Section 40.1) shows the annual requirement for dwellings judged against the target, and further information on the delivery from strategic sites is provided in section 40.2. Combined, these sites account for over 5,400 dwellings, in excess of 90% of the Borough overall target. In common with other inner-London boroughs, there is therefore, a necessary reliance on

² The percentage figure is based on individual site figures which are used to provide ward totals. A lapse rate has not been applied to individual sites. However, a lapse rate has been applied to the borough-wide housing figures because it is considered to be appropriate at this level.

³ Mayor of London (2008), The London Plan

⁴ GLA (2004), Housing Capacity Study, GLA

⁵ The 600 units figure may be tested further at the Examination in Public of the London Plan

a relatively small supply of housing from windfall sites. These have, historically, provided an important supply of housing for the Borough, and based on monitoring of past trends will allow annual targets to be exceeded. Contingency plans exist (see Chapter 39 Contingencies and Risks) so that, in the event that monitoring identifies possible risks to delivery, the Council has a strategy to address the risk.

35.3.2 The agreed affordable housing target in the draft Mayor's Housing Strategy (May 2009) is 90 units a year, from all sources, between 2008 - 2011. The revised affordable housing target is 2000 units (200 units per year), to be provided over a ten year period starting from the commencement of the new London Plan (estimated as 2011/12).

35.3.3 This target has been derived by taking account of the overall annual housing target of 600 units, estimated affordable housing delivery on site allocations, the typical affordable housing delivery rate as a proportion of overall housing together with the objective of increasing affordable housing in the borough to meet local needs⁶. The justification for the affordable housing target is set out in Section 3: Supporting Information. Housing growth will increase demand for some services and infrastructure. This is set out elsewhere in this plan.

35.3.4 Average residential property prices in the Borough in July 2009 were £712,000. In the third quarter of 2008 the average price was £1.18 million, the highest average in England⁷.

35.3.5 The tenure profile in the Borough is: 43% owner occupation, 26% social rented housing, 25% private rented housing, 5.3% other. The private rented sector has the highest turnover of households compared to the other tenures⁸, with 20% of the population estimated to change each year. These figures can be compared to those for Inner London as a whole, which indicate that around 40% of homes are owner occupied, 40% are social rented housing and 20% of the Inner London stock is in the private rented sector. By comparison, over two-thirds of Outer London dwellings are owner occupied, 18% are in the social rented sector and 12% are private rented. Between 2001 and 2006 there was a 25% increase in the number of private rented properties in the capital⁹.



⁶ The need for affordable housing is set out in Fordham Research (2009) Strategic Housing Market Assessment.

⁷ Land Registry (2008)

⁸ source: Census 2001.

⁹ Greater London Strategic Housing Market Assessment, 2008.

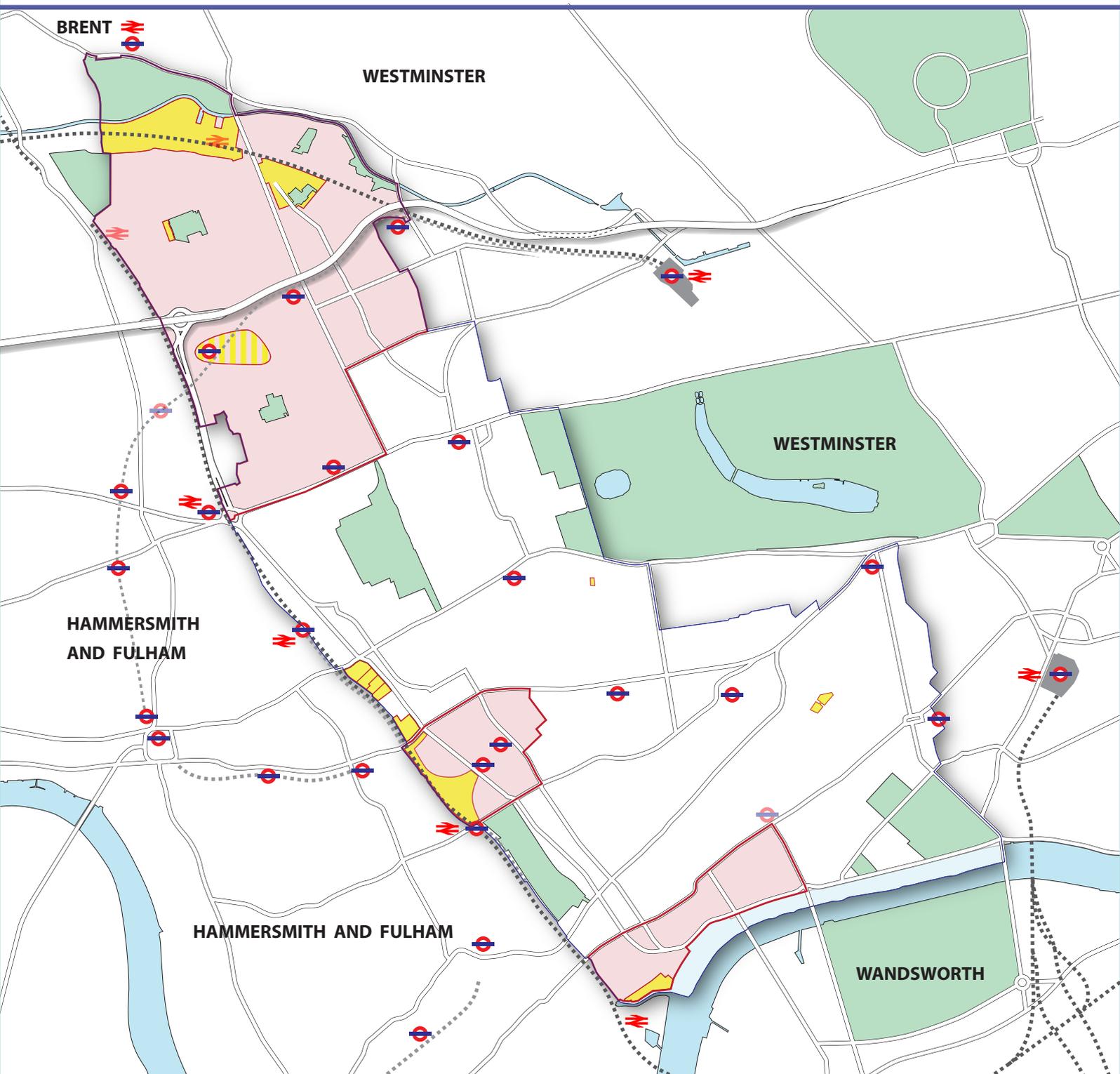
DIVERSITY OF HOUSING

Affordable and Market housing

 Wards containing significant proportions of Social Rented Housing - unsuitable for off-site affordable housing

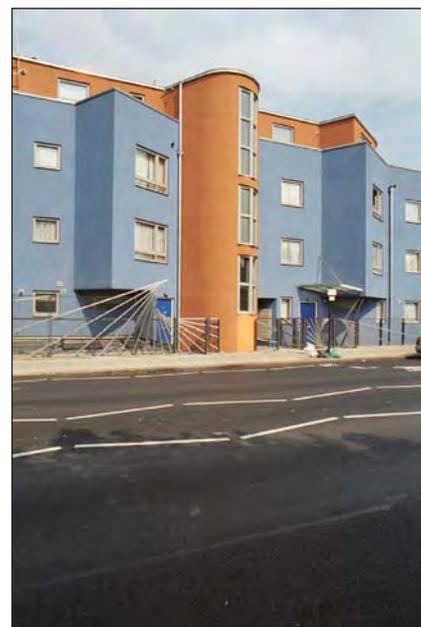
 Identified areas with significant potential for Estate Renewal

 Sites expected to deliver 80 or more homes



35.3.6 Research has been undertaken to ascertain the type of affordable housing that should be provided in the Borough, taking into account the ability of a sample of households to afford different products. This research suggests that 4% of affordable housing should be equity based intermediate housing, 11% should be intermediate rented housing, and 85% should be social rented housing¹⁰.

35.3.7 Key workers are more likely than non-key workers to be living in the social rented sector. This may be because they are less likely to be able to afford market housing than non-key worker households¹¹. Fifty per cent of intermediate affordable housing is targeted at key workers on the Council's affordable ownership register. In 2009, there were approximately 200 key workers on a register of about 1,300 interested in intermediate housing¹².



Policy CH 1 Housing Targets

The Council will ensure that sufficient housing sites are allocated in order to ensure the housing targets are met.

To deliver this the Council will:

- a. make provision for a minimum of 350 net additional dwellings a year until the London Plan is replaced (estimated as 2011/12) based on the overall ten year housing target of 3,500 net additional units. From adoption of the London Plan the Council is planning to make provision for a minimum of 600 net additional dwellings a year, until 2027/28, based on the ten year housing target of 6,000 net additional units. The exact target will be set through the London Plan process;
- b. make provision for the maximum amount of affordable housing with a target of a minimum of 200 units per annum from 2011/2012 until 2027/28 from all sources, the exact target will be set through the London Plan process;
- c. require affordable housing tenures to be provided such that they work towards a Borough-wide target of 85% social rented housing and 15% Intermediate housing.

¹⁰ Fordham Research (2009), Royal Borough of Kensington and Chelsea: Strategic Housing Market Assessment.

¹¹ Fordham Research (2009), Royal Borough of Kensington and Chelsea: Strategic Housing Market Assessment

¹² Housing Department Information, August 2009

Housing Diversity

35.3.8 It is estimated that there is a shortfall of around 3,950 affordable housing units per annum¹³. Given that the overall ten year housing target for the Borough is 3,500 net additional units (based on an assessment of land availability and capacity), this figure is clearly unachievable. What it shows, however, is that there is a significant need for affordable housing in the Borough.

35.3.9 Between 50% and 70% of the housing stock in Golborne, St. Charles, and Notting Barns wards is social rented housing. In Colville, Norland, Earl's Court and Cremorne wards between 25% - 49 % of the housing stock is social rented¹⁴. It is important that future housing development does not reinforce this existing broad spatial pattern.

35.3.10 There is an overall shortage of all sizes of affordable homes in the Royal Borough. The greatest shortage relative to supply of social rented housing is for properties with four or more bedrooms: 45% of homes are recommended to include one and two bedrooms and 55% three and four or more bedrooms. The main identified shortfalls in terms of market housing are for three and four or more bedroom homes. Over the next 20 years, the size of new market housing likely to be required in the Borough is 20% one and two bedroom units and 80% three and four or more bedroom units. For intermediate affordable housing the reverse is true, with nearly 70% of the demand being for one and two bedroom homes, with only 30% for larger homes of 3 or more bedrooms. Intermediate affordable housing includes key worker housing. It is estimated there are around 7,000 households in the borough headed by a key worker.¹⁵

35.3.11 It would be unrealistic to expect all housing schemes to comprise dwellings built to these exact ratios. However, in the private market sector, they underline the need for as high a proportion of large dwellings to be provided as possible, with a similar emphasis in the social rented sector. In intermediate housing the reverse is true. The exact mix of houses of any proposal will also take into account factors such as the characteristics of the site such as its location, size and built context, as well as the way housing need will change over time.

35.3.12 Size of dwellings is not just a matter of their number of habitable rooms or bedrooms. The absolute size of the

¹³ Fordham Research (2009), Royal Borough of Kensington and Chelsea: Strategic Housing Market Assessment

¹⁴ source: Census 2001

¹⁵ Fordham Research (2009), Royal Borough of Kensington and Chelsea: Strategic Housing Market Assessment.

dwelling matters, both in terms of floorspace, and floor to ceiling heights. Increasingly it is being realised that planning has a legitimate role to play in setting standards not only for affordable housing, but for private housing as well, to ensure the dwellings we build today are flexible and provide quality accommodation in the long term.

35.3.13 The Mayor has proposed the introduction of minimum housing standards in the draft replacement London Plan (Policy 3.5 and table 3.3), and space standards which must be met as a minimum for new developments are contained within the London Housing Design Guide. The Housing Design Guide also sets minimum floor to ceiling heights within habitable rooms. These standards will inform requirements within the Borough.

35.3.14 The cost of intermediate housing should be set at the 'usefully affordable' point, defined by Fordham Research in the Strategic Housing Market Assessment 2009. It is the mid-point between the cost of social rented housing and the cost of entry-level market housing. It represents a cost that is feasible to produce intermediate housing that will be affordable to a reasonable proportion of households unable to access the market, therefore providing a genuine step on the housing ladder.

35.3.15 The Council caps the cost of developing affordable housing, therefore in terms of costs to the developer, there is little financial difference in providing a social rented unit compared to an intermediate affordable unit. Land values in the Borough, however, make the provision of intermediate housing at the usefully affordable point very difficult. Although the evidence indicates just 15% of homes should be intermediate, this is in large part because of the affordability of the homes, rather than a reflection of need. There are, however, other models of intermediate housing provision that may better overcome the affordability issue. The Borough wide target of 15% is therefore a pragmatic response to balancing affordability and demand.

35.3.16 In almost all cases in the Royal Borough, affordable housing is negotiated as part of a section 106 agreement associated with a larger development scheme including market housing. The Council will expect applicants to provide the affordable units on the same site as the market housing in order to ensure a diversity of housing at a local level. However, on



site provision is not always possible, in which case provision should be within the area that does not re-enforce the existing broad spatial pattern of housing tenure in the Borough. (see the Housing Diversity Map).

35.3.17 Reasons for providing off-site affordable housing may include:

- On-site affordable housing may not be feasible due to there only being one entrance (e.g. in a conversion). It is normal practice to have separate service charges for the market and affordable housing, and therefore separate entrances enable the separation of charges for maintenance/heating communal hall ways etc;
- It may also be the case that on small sites it is not practical from a design or management perspective to provide a small number of on-site affordable units;
- It may be easier to provide a particular type of affordable housing, such as large affordable units, off-site rather than on-site.

35.3.18 The creation of larger homes by amalgamating smaller ones is not uncommon in the borough. Planning permissions granted between January 2006 and March 2008 indicate that 174 units were lost through all forms of deconversion/ amalgamation of units. During the same period, 88 dwellings were lost through deconversion to a single dwelling unit, predominantly in Hans Town, Holland, Brompton, Queen's Gate and Redcliffe wards¹⁶. However, as stated above, there is also a demand for larger residential dwellings of three or more bedrooms in the Borough¹⁷. On this basis, an appropriate balance needs to be struck between the loss of residential units and the need for larger family dwellings. Therefore, in order to limit the loss of residential units whilst allowing some flexibility in terms of the creation of larger residential units, a policy has been developed which resists proposals which result in the net loss of five or more residential units. Future amalgamation will be restricted to ensure that successive developments do not lead to loss of residential units.

¹⁶ Source: Council Development Monitoring System

¹⁷ Fordham Research (2009), Royal Borough of Kensington and Chelsea: Strategic Housing Market Assessment.

35.3.19 Whilst the prime residential market has been affected by the recession, there is still demand for large, luxury properties particularly in the south of the Borough. It is envisaged that over the long term this market will remain

important¹⁸. Proposals for housing schemes including dwellings with a floorspace of 250-300m² (2,690- 3,230 ft²), or larger, are not uncommon. Often schemes of this nature involve fewer than ten units, and therefore fall below the London Plan ten unit trigger for affordable housing. A floorspace threshold, rather than unit threshold, is therefore considered most appropriate as a trigger for affordable housing in the Borough, as identified in the Affordable Housing Viability Study¹⁹. This is because more schemes will be required to provide affordable housing which should increase the likelihood of delivery. Appendix 2 of Chapter 40 (supporting information) explains the affordable housing threshold and target in further detail.

35.3.20 In order to ensure we are delivering the maximum amount of affordable housing, developments proposing less than 50% will need to demonstrate a viability case, using the GLA toolkit or an agreed alternative. The target is based on the high level of need, and takes account of the Council's Affordable Housing Viability Study. The intention is to provide certainty to those developing housing in the Royal Borough as to the level of affordable housing that is expected.

35.3.21 In assessing any viability assessments the Council will have regard to the 'dynamic viability model' developed by Fordham Research²⁰ and individual site circumstances. The Dynamic Viability Model allows for changing market circumstances to be assessed annually, and therefore allows for the proportion of affordable housing sought to be closely related to market conditions. This model can also take into account other planning obligations. A statement demonstrating the exceptional site circumstances or the weight attached to other benefits from the scheme should accompany any application proposing less than 50% affordable housing target, to justify to the Council a reduced level of affordable housing provision. Targets should be applied flexibly, taking account of individual site constraints, the availability of public subsidy and other scheme requirements.

35.3.22 Due to the very high need for affordable housing in the borough, it is important that the delivery of affordable housing is not delayed. For this reason, applications for affordable housing should be provided concurrently with the main planning application.

¹⁸ *ibid*

¹⁹ Fordham Research (2009) RBKC Affordable Housing Viability Study

²⁰ *Ibid.*

35.3.23 The affordable and market housing should be designed so that it is not possible to identify either tenure - known as 'tenure blind'. To ensure all residents enjoy the same high standards of design and to aid integration of the various communities living within a housing development.

35.3.24 In the future, most older people will continue to live in their own homes. However, some older people will no longer be able to live at home or may not wish to do so. It is estimated that the Borough's population of people aged 65 and above will increase by 10.6% and the population of people aged 85 and above is projected to increase by 10.8% between 2008 and 2025. Older people are most numerous in the relatively affluent south of the Borough. There are 1,186 sheltered housing units in the Borough, mostly in the north and south, with little provision in the four central wards. There are three social rented extra care housing schemes in the north of the Borough but there are no schemes in the south, and none for sale or shared ownership within the Borough. There is a need for a mixed tenure, extra care housing scheme in the south of the Borough due to a current lack of provision in that location²¹. The Council should review the fitness of the sheltered housing stock for future needs, in terms of its size, number of bedrooms and wheelchair accessibility, as there appears to be a large number of bedsits with little provision for the likely increase in older couples²².

²¹ The Council will not seek affordable housing from proposals for care homes or extra care housing schemes. The Council regards extra care housing as falling within Use Class C2: Residential Institutions.

²² Institute of Public Care (May 2008), Older People's Housing Needs – Research Paper, Royal Borough of Kensington and Chelsea.

²³ Fordham Research (2009), Royal Borough of Kensington and Chelsea: Strategic Housing Market Assessment

²⁴ For further information on wheelchair accessible housing standards to be met see GLA (September 2007) 'Wheelchair Accessible Housing: Best Practice Guidance: Designing Homes That Can Be Easily Adapted for Residents Who are Wheelchair Users

35.3.25 It is estimated that there are 11,700 households (14% of all households) in the Royal Borough with one or more members in an identified 'additional needs' group, such as people with a physical or learning disability, as well as the frail elderly. Research has indicated that the households in the north of the Borough are more likely to have an additional need. Households with additional needs have much lower than average incomes and are far more likely to be in unsuitable housing (i.e. requiring adaptations to the home) compared to households overall²³. A proportion of households with physical disabilities will require wheelchair accessible housing²⁴.

35.3.26 Lifetime homes standards will be used to address this issue. New homes will incorporate basic design criteria to ensure that the properties are convenient, flexible and adaptable. They are designed to meet a family's changing needs over time, but are not intended to be fully wheelchair

accessible. The standards exceed those in Part M of the Building Regulations which are only concerned with enabling disabled people to visit a dwelling. The criteria include issues which relate to parking, the approach to a dwelling, entrance treatment and the design of internal spaces²⁵.

35.3.27 Where compliance with the various standards is not possible due to other policy requirements, for example in the case of development involving historic buildings, the development should demonstrate that all reasonable measures have been taken to meet them.

35.3.28 The private rented sector plays an important role in the housing market, especially in meeting the need for lower cost housing. Houses in Multiple Occupation (HMOs) form one important element of this sector. The Council has a relatively high proportion of household spaces in a shared dwelling according to the 2001 census, and a recent household survey has estimated that in 2009 there were approximately 1,640 HMO shared flats/ houses in the borough (1.9% of households). Less than 10% of those were estimated to be student only households. The wards to the east of Notting Hill and around Earl's Court had the highest proportion of shared dwellings. Earl's Court and Chelsea are the most favoured destinations for students to live in shared accommodation²⁶. Imperial College estimates there are 2,300 students living in the private rented sector, in addition to 1,000 students living in its halls of residence²⁷.

35.3.29 The Council recognises the role that HMOs have made in terms of providing lower cost housing, and on this basis they have traditionally been protected from self-containment. However, it is recognised that they provide a less than ideal form of habitation in so far as certain facilities, normally bathrooms, have to be shared. A balance has therefore been struck between the need to cater for the lower end of the private rented market and the need to provide a dwelling of an appropriate standard for the 21st Century. On this basis proposals to convert HMOs into studio flats will generally be supported, as the evidence suggests that whilst studio flats are more expensive the rents they command are not significantly higher than some HMOs, although there is variation depending on geographical location.

²⁵ For further information on the standards to be met see GLA (April 2004) SPG Accessible London: achieving an inclusive environment, Appendix 4 Lifetime Homes Criteria.

²⁶ Fordham Research (2009), Royal Borough of Kensington and Chelsea: Strategic Housing Market Assessment

²⁷ Information from Imperial College, August 2009

35.3.30 Residential hostels within the Borough have traditionally catered for groups such as the single homeless, people who are mentally ill or disabled, women who have experienced domestic violence and students. It is recognised that the traditional type of hostel may, in some cases, no longer be the most appropriate form of accommodation and therefore the change of a hostel site to a different form of affordable housing may be appropriate.

35.3.31 A London-wide gypsy and traveller needs assessment has identified that there is a need to provide an additional 6 to 12 gypsy and traveller pitches in the Borough for the period 2007-2017²⁸. The shortage and high cost of land means that there will be limited opportunities for new gypsy and traveller pitches. However, the Borough will work with partners, RSLs, developers and neighbouring authorities to meet the identified need. A site(s) will be allocated as part of a forthcoming specific Gypsy and Traveller DPD.

35.3.32 The Borough is very densely developed and therefore protection of existing amenity is paramount. The creation of new external amenity spaces associated with new developments is also very important. Exposure and access to greenspaces can have a wide range of social, environmental, economic and health benefits²⁹. There is evidence that access to outdoor environments can provide health benefits at a number of levels, for example through physical activity and through informal recreation which can provide relief from depression and stress³⁰. External amenity space and green spaces benefit people of all ages. Green roofs also provide ecological benefits.

35.3.33 The evidence on housing diversity shows that we need to have a policy to address housing mix, older people's housing, affordable housing, inclusive housing, flat de-conversions and gypsy and traveller issues.

²⁸ Fordham Research (2008) London Boroughs' Gypsy and Traveller Accommodation Needs Assessment: Final Report, GLA.

²⁹ Morris, N (2003) Health, Well-Being and Open Space: Literature Review, Edinburgh College of Art and Heriot-Watt University

³⁰ Morris, 2003, DCLG 2006 cited in Ward Thompson, C (2006), Woodland and a Healthy Society



Policy CH 2

Housing Diversity

The Council will ensure new housing development is provided so as to further refine the grain of the mix of housing across the Borough.

To deliver this the Council will, in relation to:

Housing Mix and Type

- a. require new residential developments to include a mix of types, tenures and sizes of homes to reflect the varying needs of the Borough, taking into account the characteristics of the site, and current evidence in relation to housing need;
- b. require new residential developments, including conversions, amalgamations and changes of use, to be designed to as a minimum achieve all the following standards:
 - i. lifetime homes;
 - ii. floorspace and floor to ceiling heights;
 - iii. wheelchair accessibility for a minimum of 10% of dwellings;

where compliance with the above standards is not possible because of other policy requirements, to require new residential developments to demonstrate that all reasonable measures to meet them have been taken;

- c. encourage extra care housing, particularly in the south of the Borough;
- d. protect houses in multiple occupation except where a proposal concerns conversion into self-contained studio flats, and require any such proposal to be subject to a s106 agreement to ensure the flats remain as studios in perpetuity;
- e. resist the loss of residential hostels except where the site will be utilised as a different form of affordable housing;

Policy CH 2 continued overleaf

- f. resist development which results in the net loss of five or more residential units;
- g. require development that results in the amalgamation of residential units to be subject to a s106 agreement to ensure the resultant units are not further amalgamated in the future;
- h. require housing schemes to include outdoor amenity space;

Affordable Housing

- i. require developments to provide affordable housing at 50% by floor area on residential floorspace in excess of 800sq.m gross external area;
- j. require provision to be in the form of a commuted sum in lieu of the equivalent amount of affordable housing floorspace where in excess of 800sq.m but less than 1,200sq.m of gross external residential floor space is proposed;
- k. require affordable housing provision of affordable homes on site where more than 1,200sq.m of gross external residential floor space is proposed, unless exceptional circumstances exist;
- l. require any off-site affordable housing to be provided in any wards except the following: Golborne, St. Charles, Notting Barns, Colville, Norland, Earl's Court and Cremorne;
- m. require an application to be made for any 'off-site' affordable housing concurrently with the main planning application and that the two applications are linked through a s106 agreement or unilateral undertaking;
- n. require that affordable housing and market housing are integrated in any development and have the same external appearance;
- o. require the affordable and market housing to have equivalent amenity in relation to factors including views, daylight, noise and proximity to open space, play space, community facilities, and shops;

- p.** where a scheme over 800sq.m does not provide 50% of gross external residential floorspace for affordable housing, the applicant must demonstrate:
 - i.** the maximum reasonable amount of affordable housing is provided through the provision of a viability assessment, using the GLA toolkit or an agreed alternative
 - ii.** the exceptional site circumstances or other public benefits to justify the reduced affordable housing provision;
- q.** require that affordable housing includes a minimum of 15% intermediate housing in Golborne, St.Charles, Notting Barns, Norland, Colville, Earl's Court and Cremorne wards. In all other wards a minimum of 85% social rented housing should be provided;
- r.** require that the provision of intermediate housing is provided at the 'usefully affordable' point.

Gypsies and Travellers

- s.** protect the existing Westway Travellers' site which the Council jointly manages with the London Borough of Hammersmith and Fulham. Additional sites for temporary or permanent use will be identified in the forthcoming Gypsy and Traveller DPD and should meet the following criteria:
 - i.** the site can provide for a satisfactory arrangement of pitches, permanent buildings and open space;
 - ii.** use of the site would have no significant detrimental effect on the amenity of occupiers of adjoining land;
 - iii.** use of the site would be acceptable in terms of the visual amenity;
 - iv.** the use could be supported by adequate physical and social infrastructure in the locality.

Protection of Residential Uses

35.3.34 Loss of housing through deconversion, and, additionally to other uses, can reduce the overall provision of housing stock. The AMR monitors losses of residential use, and has identified the need to further prevent against losses. To achieve the annual housing target in policy CH1, which takes account of net losses of units, it is therefore important to protect residential units in most circumstances. However, there are a limited number of situations in which losses will be permitted in order to meet various policy objectives of this plan. These are set out in the policy below.

35.3.35 Arts and Cultural Uses include museums, art galleries, exhibition spaces, theatre, cinemas and studios. Policy CH3 refers to very small offices, which have a floorspace of 100 square metres or less.

Policy CH 3

Protection of Residential Uses

The Council will ensure a net increase in residential accommodation.

To deliver this the Council will:

- a.** protect market residential use and floorspace except:
 - i.** in higher order town centres, where the loss is to a town centre use;
 - ii.** in employment zones, where the loss is to a business use, or other use which supports character and function of the zone;
 - iii.** in a predominantly commercial mews, where its loss is to a business use;
 - iv.** where the proposal is for a very small office; or
 - v.** where the proposal is for a new social and community use which predominantly serves, or which provides significant benefits, to Borough residents; or an arts and cultural use;
- b.** resist the net loss of both social rented and intermediate affordable housing floorspace and units throughout the Borough;

NOTE: Other policies within the Core Strategy set out where the Council will permit new residential uses and floorspace. Refer to Policy CF3 in relation to introducing new residential use at ground floor level within town centres; CK2 in relation to loss of shops outside of town centres; CF5 in relation to business uses and in relation to new development within Employment Zones; CF8 in relation to Hotels and Policy CK1 in relation to social and community uses.

Estate Renewal

35.3.36 The Council is undertaking a Housing Stock Options Review to provide clear advice on the options that are available to resolve the Housing Revenue Account deficit, secure long term investment to renew the Council's housing stock, and ensure that there is an adequate supply of affordable housing to meet future needs. One potential source of funding to replace existing new affordable housing is from the sale of new private housing provided alongside the replacement social housing, with estates being rebuilt to a higher density. This would, if undertaken, be carried out in a phased way over 20 years or more³¹. The Council has a legal duty to re-house all existing Council tenants.

35.3.37 Estate renewal proposals differ from other types of application because often the sale of market housing is used to fund the re-provided social rented housing. For this reason the proportions of social rented and market housing may differ from conventional housing applications where cross subsidy is not being done on the same scale.

³¹ The range of options under review is detailed within various Stock Options publications and the Housing Strategy. The Council plans to reach a view on the best available option by Autumn 2009