



*RBKC Community Housing*  
Supplementary Planning Document (SPD)  
June 2020



THE ROYAL BOROUGH OF  
KENSINGTON  
AND CHELSEA



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# Foreword

I spent the first few weeks of my life in temporary accommodation before moving into a Housing Association property, which is still my home today.

When my parents came to London from New York and Limassol, they fell in love with Kensington and Chelsea. They didn't have much family or many roots in the area, but they quickly made it home, playing the jukebox in Gloucester Road Station on the way to work and going to their favourite local restaurant, the Borshchtch 'N' Tears afterwards.

When my parents fell on hard times, at the mercy of a rogue landlord, they looked to local government to deliver safe and affordable housing.

Our Council helped to find them a place to live and changed our lives.

That is why – whilst most Councils say affordable housing is a top priority - for me, this is personal.

There is a national housing crisis, which we feel more acutely in Kensington and Chelsea. As London's smallest borough we have higher land values than anywhere else.

As a Council, we know that the word "affordable" doesn't always mean "affordable" for everyone when it comes to housing, especially given sky-high rents in our part of the capital.

That is why following consultation on the Draft SPD we will use the term RBKC Community Housing, and within this term define the products that are genuinely affordable for this borough. We have and set out our housing expectations for developers investing in Kensington and Chelsea, so that local people can live here securely.

We strive to be a Council that puts our communities first, narrowing the gap between young and old; rich and poor; north and south. We want to be open to investment, where it helps us to narrow this gap and where it considers the needs of our unique borough. This document is a step in the right direction to enable us to meet this aim.

**Cllr Johnny Thalassites**  
**Lead Member for Planning and Transport**

# Executive Summary

Everyone living in the Borough should have the opportunity to live in a decent, safe and *affordable* home. There is an overwhelming need for all types of homes in the Borough, but in particular *affordable* homes. The tragic events that occurred on the 14 June 2017 at Grenfell Tower changed the Borough dramatically. It had a profound impact on the local community, laying bare existing concerns and inequalities. It brought into focus the housing issues facing the Borough, namely the acute shortage of *affordable* social rented homes.

Supplementary Planning Documents (SPDs) build upon and provide more detailed advice or guidance on the policies in our Development Plan including the Local Plan and the London Plan. The Council committed to the production of this SPD whilst adopting the Local Plan in September 2019. It is also referred to in the Council's [Housing Strategy](#) adopted in December 2019.

Having listened to residents and analysed income and rent levels in the Borough, this SPD questions the use of the term "*affordable*" and following consultation uses RBKC Community Housing as an alternate term. This is to provide a more meaningful term and signal a change in approach, with the commitment to secure truly affordable housing in new developments.

A key detail that is clarified in this SPD, is a change in the tenure mix required where *affordable* housing is included in new development. The Local Plan specifies that where *affordable* housing has been secured it should be made up of 50 per cent social/affordable rent and 50 per cent intermediate housing. However, due to affordability issues and as set out in the latest evidence<sup>1</sup> there is an exceptional case for RBKC to move away from this aspect of the Local Plan and be in conformity with the emerging New London Plan (NLP) Policy H7 Affordable Housing Tenure, which requires the following split of affordable products to be applied to development:

- 1. a minimum of 30 per cent low cost rented homes, allocated according to need and for Londoners on low incomes (Social Rent / London Affordable Rent)*
- 2. a minimum of 30 percent intermediate products which meet the definition of affordable housing, including London Living Rent and London Shared ownership*
- 3. 40 per cent to be determined by the relevant borough based on identified need, provided they are consistent with the definition of affordable housing.*

RBKC's identified housing need demonstrates that the 40 per cent that is to be determined by the relevant borough is required to be provided as low cost rented homes at Social Rent or London Affordable Rent levels.

In aggregate, the Council will require 70 per cent of the affordable housing to be provided as Social Rent / London Affordable Rent, and 30 per cent as intermediate accommodation, contributing to the delivery of mixed and inclusive communities. In the case of London Living Rent, rents will be set at the lowest ward level London Living Rent (LLR) which currently is Notting Dale ward.

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<sup>1</sup> New evidence has been collated as a partial update to the Strategic Housing Market Assessment that was undertaken for the Local Plan in 2015. Evidence of development viability has also been undertaken and it demonstrates that the new tenure mix referred to in paragraph 4 is viable.

The Mayor of London has advised in the London Plan that these minimums will be reviewed in 2021 and, if necessary, updated through Supplementary Planning Guidance, taking account of future affordable housing funding agreements. Similarly, this SPD adjusts the Council's required tenure split based upon evidenced housing need.

The tenure split as required by the Local Plan against the adjusted tenure split is illustrated in Table 1 below:

**Table 1: Example showing the change in tenure split (in both cases this is based on 35 per cent overall RBKC Community Housing)**

	<b>Local Plan 50% social rent and 50% intermediate (Scheme with 100 homes on private land)</b>	<b>Draft SPD 70% social rent and 30% intermediate (Scheme with 100 homes on private land)</b>
<b>Private Homes</b>	65	65
<b>Social Rent (or affordable rent in certain cases, see page 20 of the SPD)</b>	18	25
<b>Intermediate Rent</b>	17	10

Figure 1 below provides a worked example of how the required tenure mix would apply to a development of 100 homes.

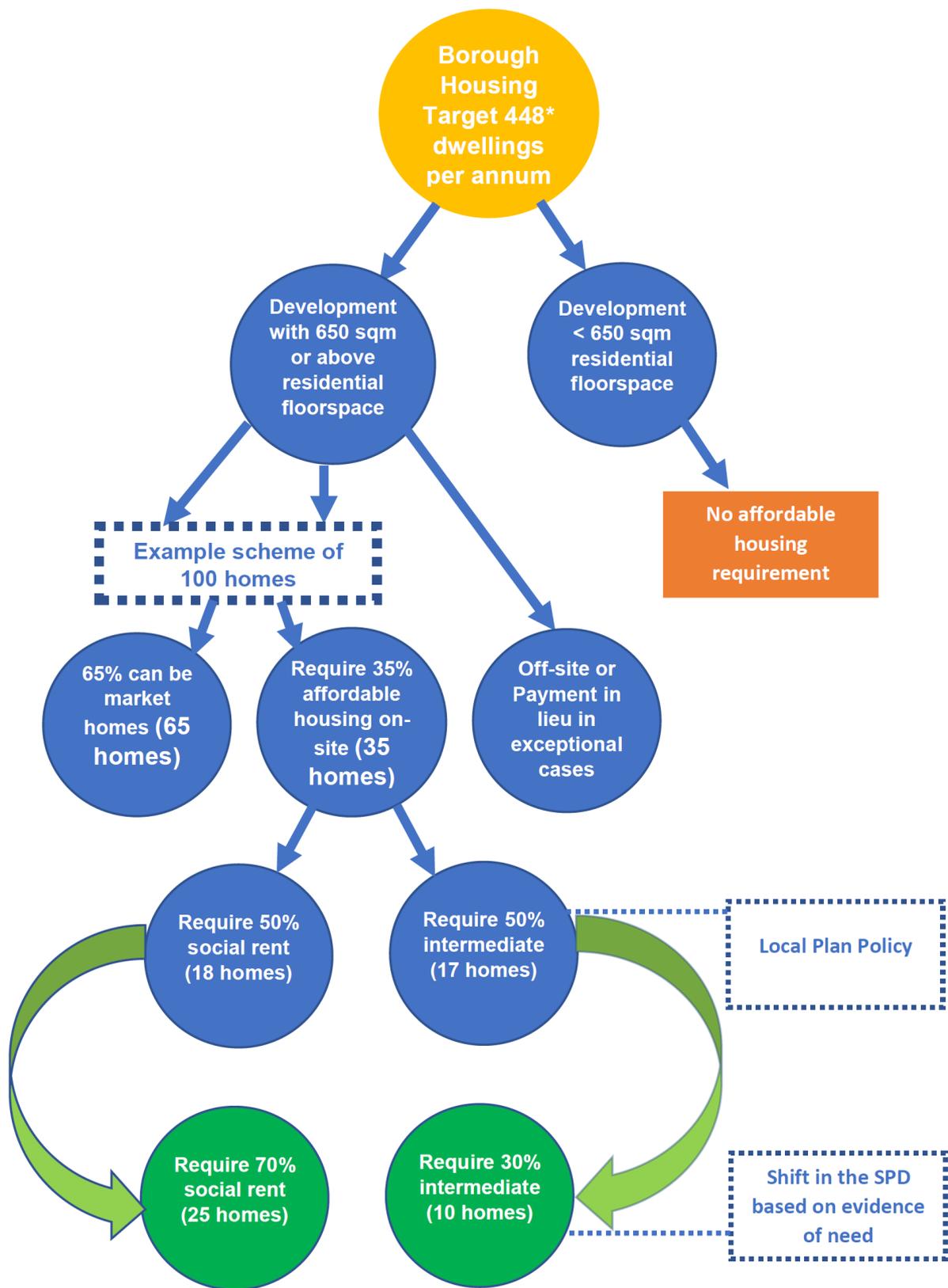


Figure 1 - Affordable housing policy and tenure mix

The key guidance in the Draft SPD is set out below.

- Following consultation the Council will use the term RBKC Community Housing instead of “affordable” housing to convey that the products we secure are genuinely affordable.
- The products within RBKC Community Housing are – social rent, affordable rent (at London Affordable Rent levels) and intermediate rent and the lowest London Living Rent (LLR) levels in the borough.
- 70 per cent social rent in most circumstances or affordable rent at London Affordable Rent levels in some cases as set out in this SPD.
- 30 per cent intermediate at London Living Rent levels at lowest ward level of LLR in the borough (currently Notting Dale ward).
- Provision of 35 per cent on-site *affordable* homes in all relevant developments of 650 sq. m and above is a key Council priority.
- Only in very exceptional circumstances will the Council accept off-site provision or payments in lieu.
- Public sector land needs to work harder and provide 50 per cent *affordable* housing on individual sites or across a portfolio of sites when agreed by the Mayor of London.
- The Council will seek HMO conversions to studios as low cost housing (20% below market value).
- The *affordable* offer in extra care schemes can be general *affordable* or *affordable* extra care. This will be determined on a case by case basis.
- The Council will support temporary *affordable* housing as a meanwhile use on multi-phase schemes or sites awaiting development in the longer term.
- The Council recognises that community spaces stimulate a sense of community particularly if this is provided as a meeting space or flexible workspace.
- Significant housing developments proposing 100 or more new homes should carry out a community space audit and include community space within the development proposal where there is a demonstrable need.
- Where provided community space should be part of the overall benefit package and not come at the cost of compromising the provision of affordable housing.
- The Council will use the principles of engagement as set out in the Statement of Community Involvement (SCI) on any Council led proposals for RBKC Community housing.

- In particular, the Council commits to using collaboration with its residents as a key principle in its engagement.
- The Council will produce a procedure note outlining the requirements for early consultation.
- Applicants are required to undertake early engagement and agree with the Council, the form this will take.

# 1. Introduction

## Background

- 1.1 Everyone living in the Borough should have the opportunity to live in a decent, safe and *affordable* home. There is an overwhelming need for all types of homes in the Borough, but in particular *affordable* homes. The tragic events that occurred on the 14 June 2017 at Grenfell Tower changed the Borough dramatically. It had a profound impact on the local community, laying bare existing concerns and inequalities. It brought into focus the housing issues facing the Borough, namely the acute shortage of *affordable* social rented homes.
- 1.2 On 11 September 2019, Full Council adopted the Local Plan which sets the blueprint for development of the Borough until 2028. As part of the adoption, the Council made a commitment to increase social rented housing as a proportion of *affordable* housing in the Borough. Reference was made to the immediate production of this Supplementary Planning Document to deliver on that commitment straightaway. This links with the Council's ambitions and priorities in the Council Plan, March 2019<sup>2</sup>, the Grenfell Recovery Strategy, January 2019<sup>3</sup> and the Housing Strategy, December 2019. All these documents support the provision of more social housing in the Borough. The Council also made a decision<sup>4</sup> in July 2019 to end flexible tenancies and instead offer lifetime tenancies to all new tenants to give them greater long-term security allowing more thriving communities to grow.
- 1.3 Central to the vision of the Local Plan 2019 is the creation of mixed and balanced communities by reducing inequality in the Borough, and to allow each community to fully realise its potential. The provision of a diverse mix of homes to meet housing needs in the Borough will help achieve this. This SPD seeks to maximise the opportunities to deliver *affordable* homes, which will address the pressing need for them and create socially inclusive communities.
- 1.4 The Local Plan along with the London Plan and neighbourhood plans form the Development Plan for the Borough. The New London Plan is expected to be published in mid-2020; before the adoption of this SPD. Therefore, this Draft SPD provides further guidance on relevant policies of the NLP in addition to the Council's Local Plan.
- 1.5 A key aim of this SPD was to find an alternative term for the word "affordable". The Council feels this is necessary as the term has lost its meaning and is often misunderstood by the general public. Given the Council's firm commitment to signal a change in direction, it is important that whenever the new term is used, it is clear to everyone that these homes will be genuinely *affordable*.

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<sup>2</sup> <https://www.rbkc.gov.uk/newsroom/all-council-statements/our-council-plan>

<sup>3</sup> <https://www.rbkc.gov.uk/grenfell-response-and-recovery/progress-grenfell-recovery-strategy>

<sup>4</sup> <https://www.rbkc.gov.uk/howwegovern/keydecisions/decision.aspx?DecisionID=5490>

- 1.6 The term “affordable” filters down from national policy to London Plan to Local Plan policies therefore replacing it is no easy task. Following public consultation, the most popular term chosen in the responses is ‘RBKC Community Housing’. Therefore, the Council will use this term to signify genuinely affordable housing in the Borough. Within this term, the products set out in Section 3 will be secured by legal agreements attached to the grant of planning permission for new developments.

### **Objectives of the RBKC Community Housing SPD**

- 1.7 The main objectives of this draft SPD are:
- To provide a new alternative meaningful term for *affordable* housing in the Borough – RBKC Community Housing.
  - To reinforce that the provision of 35 per cent on-site *affordable* housing on private residential development<sup>5</sup> and 50 per cent on public land as a key Council priority.
  - Define RBKC Community Housing including the products that are genuinely *affordable* in the Borough. These should be included in legal agreements to ensure delivery.
  - Set out the *affordable* housing tenure mix based on latest evidence of need and viability in-line with the emerging New London Plan for developments that trigger *affordable* housing requirements.
  - Provide more clarity on Policy CH1e resisting the loss of *affordable* homes and floorspace.
  - Signify the importance of community meeting space in significant housing development and its provision where there is a demonstrable need.

### **Public Consultation**

- 1.8 The document has followed the stages set out in Figure 2.
- 1.9 The Council consulted on a draft SPD for a six-week period from 11 February to 24 March 2020. The consultation was undertaken by direct mail out to the Planning Policy database (which includes about 2,500 residents’ associations, individuals, planning agents, statutory consultees and other stakeholders.
- 1.10 In addition, we ran a poll on the term to be used for *affordable* housing using the digital platform Built-ID. This enabled publicity of the consultation

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<sup>5</sup> In accordance with Policy CH2 of the Local Plan

to a very wide audience using adverts on social media – Facebook, Instagram, Twitter and Google to invite users to participate in polls.

- 1.11 The consultation on the Draft Affordable Housing SPD ran concurrently with Neighbourhood Community Infrastructure Levy (NCIL) Priorities consultation. These consultations reached<sup>6</sup> a phenomenal 273,200 people in the Borough. The adverts resulted in about 6,300 people clicking to land on the consultation page via the digital platform. The adverts for the consultation were shown 2,816,213 times by Facebook.
- 1.12 A single question, “Which of these terms would best describe truly affordable housing in RBKC?” was polled through this method. In response, 244 votes were cast as follows:

1	RBKC Community Housing	95 (39%)
2	RBKC Fair Homes	88 (36%)
3	RBKC Public Housing	61 (25%)

- 1.13 Fifteen detailed responses were received via email/on-line. These included responses from residents’ associations, members, housing associations, the Mayor of London, developers and government organisations.
- 1.14 The full responses along with details of how they have been considered can be found on the Council’s website.

**Figure 2: Stages of consultation process for Draft SPD**



<sup>6</sup> People who saw the adverts on social media

## **Sustainability Assessment (SA) Screening**

- 1.15 A sustainability appraisal (SA) is a process to assess the extent to which any emerging plan, when judged against reasonable alternatives, will help to achieve relevant environmental, economic and social objectives. In terms of supplementary planning documents (SPDs), the National Planning Practice Guidance (NPPG MHCLG 2019 ID 11-008) states that they do not require a sustainability appraisal 'but may in exceptional circumstances require a strategic environmental assessment if they are likely to have significant effects that have not already been assessed during the preparation of the Local Plan'.
- 1.16 The Council has undertaken a Screening Assessment to consider the above and consulted the three statutory bodies - Historic England, Natural England and the Environment Agency. The Screening Assessment concluded that a SA/SEA is not required and this was agreed by the three statutory consultees. The Screening Assessment together with all the details and the responses of the statutory consultees are available to view on-line on the Council's website alongside details of the consultation.

## **Equalities Impact Assessment (EqIA)**

- 1.17 An Equalities Impact Assessment (EqIA) is a way of measuring the potential impact (positive, negative or neutral) that a policy, function or service may have on different groups protected by equalities legislation, notably the Equalities Act 2010. The protected characteristics are defined within the Act. They are Age, Disability, Gender, Gender reassignment, Marriage and civil partnership, Pregnancy and maternity, Race (including ethnicity and nationality), Religion and belief, and Sexual orientation. Whilst the overarching Local Plan policies, including those which this SPD relate to, have already been subject to equalities assessment, an EqIA using the Council's equality impact analysis tool has been prepared as a supporting document to this SPD.
- 1.18 The EqIA concludes that there is a slight positive impact on disability. This is because an increase in social rented housing will be of particular benefit with those with disabilities, with 20% of applicants on the Council's housing register having "declared a primary medical condition", and 12% of all applicants having particular "accessibility requirements. It is also likely to have a slight positive impact on BME groups. This is because 64% of all applicants on the with Council's housing register are in BME groups. This compares with 29% of the resident population. It should also be noted that 68% of those on the housing register are women, so it is also likely to have a positive impact for women. However, it should be noted that the housing register records the 'main applicant' or head of the household rather than the whole family. Therefore, the 68% figure does not necessarily mean that the applicant is a single woman or single parent woman. The SPD is likely to have a neutral impact on all the other protected characteristics.

## 2. Policy context

- 2.1 This section sets out the relevant planning policy legislative framework which the document conforms with. This includes the National Planning Policy Framework (NPPF) 2019, National Planning Practice Guidance (NPPG), The London Plan 2016, emerging New London Plan<sup>7</sup> and the Local Plan 2019. Other relevant guidance includes The Mayor of London's Housing Strategy 2018, the Mayor of London's Affordable Housing and Viability SPG 2017, RBKC Council Plan 2019 – 2023, and the RBKC Housing Strategy 2019.

### **Policy and Guidance**

#### **National Planning Policy Framework 2019**

Paragraph 57, 62

#### **National Planning Practice Guidance on Viability**

Paragraph 002

#### **Emerging New London Plan**

H4 Delivering Affordable Housing

H5 Threshold Approach to Applications

H6 Affordable Housing Tenure

H7 Monitoring of Affordable Housing

H8 Loss of existing housing and estate redevelopment

#### **Mayor's Affordable Housing and Viability SPD 2017**

#### **Local Plan 2019**

CH1 Increasing housing supply

CH2 Affordable Housing

CH3 Housing Size Mix and Standards

CH4 Estate Renewal

### **National Planning Policy Framework (NPPF)**

- 2.2 The [NPPF \(paragraph 57\)](#) refers to viability appraisals reflecting the recommended approach in the NPPG, including standardised inputs. This endorses the approach that Existing Use Value plus (EUV+) should be used in viability appraisals. The Council fully expects developers to take

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<sup>7</sup> The Intend to Publish New London Plan 2019 has been used for the purposes of this SPD. The SoS subsequent response to the Mayor on the Intend to Publish version dated 13 March 2020 does not suggest any changes to the policies relating to affordable housing. The Mayor's response to the SoS dated 24 April 2020 similarly does not suggest any changes relevant to this document.

into account planning policies when acquiring land and the policy requirements for *affordable* housing must be taken into account. Applicants should present *affordable* housing figures as a percentage of total residential provision by habitable rooms, by units, and by floorspace. Applicants should follow the appraisal requirements set out in Section 7 of the Council's Planning Contributions SPD, October 2019 and Part 3 the Mayor of London's Affordable Housing and Viability SPG.

- 2.3 Paragraph 62 states that where a need for *affordable* housing is established, planning policies should specify the type of *affordable* housing required and will expect it to be provided on site unless:
- a) off-site provision or an appropriate financial contribution in lieu can be robustly justified;
  - b) the agreed approach makes a contribution towards the creation of mixed and balanced communities.

### **National Planning Practice Guidance (NPPG)**

- 2.4 Paragraph 002<sup>8</sup> of the [NPPG on Viability](#) states that policy requirements, particularly for *affordable* housing, should be set at a level that takes account of affordable housing and infrastructure needs and allows for the planned types of sites and development to be deliverable, without the need for further viability assessment at the decision making stage.

### **The Emerging New London Plan (NLP)**

- 2.5 The Mayor published his draft new London Plan for consultation on 1 December 2017. The Panel's report, including recommendations, was issued to the Mayor on 8 October 2019 and the Intend to Publish version of the London Plan was published on the 17 December 2019. Publication of the final version of the new London Plan is anticipated in Summer 2020, at which point it will form part of the Borough's Development Plan and contain the most up-to-date policies.
- 2.6 The Mayor received the response from the Secretary of State to his Intend to Publish London Plan on 13 March 2020 and has responded to it on 24 April 2020. The Directions set out in the Secretary of State's letter do not affect the Intend to Publish affordable housing policies. Therefore, the relevant policies in the Intend to Publish London Plan are referred to in this SPD. The emerging NLP policies are a material consideration in determining planning applications.
- 2.7 The following emerging policies in the NLP are relevant to this SPD:
- 2.8 **Policy H4 Delivering affordable housing** sets out the strategic target for 50 per cent of all new homes delivered across London to be genuinely *affordable*. It states that all *affordable* housing should be provided on-site. Only in exceptional circumstances will it be acceptable to provide off-site provision or cash in lieu payments.

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<sup>8</sup> As revised on 9 May 2019

2.9 **Policy H5 Threshold approach to applications** (see figure 6) states that the threshold level of *affordable* housing on gross residential development is initially set at:

- 1) A minimum of 35 per cent; or
- 2) 50 per cent for public sector land where there is no portfolio agreement with the Mayor.

2.10 **Policy H6 Affordable housing tenure** states that the following residential split should be applicable to development:

- 1) a minimum of 30 percent low cost rented homes, which should be either London Affordable Rent or Social Rent, allocated to need and for Londoners on low incomes.
- 2) a minimum of 30 percent intermediate products which are genuinely affordable according to the definition of affordable housing, this includes London Living Rent and London Shared ownership.
- 3) the remaining 40 per cent to be determined by the borough as low cost rented homes or intermediate products (defined in Policy H7 Part A1 and H7 Part A2) based on identified need.

#### **Mayor of London Affordable Housing and Viability SPG, 2017**

2.11 The [Mayor's Affordable Housing and Viability SPG](#) provides guidance on the threshold approach to *affordable* housing and detailed guidance on viability assessments. The threshold approach is now reflected in the NLP Policy H5. The Mayor's approach is followed in the Borough and the relevant sections of the SPD are referred to throughout the document.

#### **Local Plan 2019**

The following suite of policies within the Council's adopted [Local Plan 2019](#) are relevant to this SPD:

2.12 **Policy CH1(f) Increasing Housing Supply** stipulates that the Council will resist the loss of *affordable* housing floorspace and units throughout the Borough.

2.13 **Policy CH2 Affordable Housing** (b) states that developments should provide a minimum of 35% *affordable* housing on all housing sites that provide 650 sq. m or more gross residential floor space (gross internal area), once the threshold is met all gross residential floor space is liable for an *affordable* housing contribution. The policy also states that the remaining 50% of *affordable* housing provision should consist of social rent/*affordable* housing for rent and 50% should be intermediate including intermediate rent and *affordable* home ownership products.

2.14 **Policy CH2(d)** specifies that *affordable* housing should be provided on site unless exceptional circumstances justified by robust evidence exist which support provision off-site or providing a payment in lieu.

The policy further states that where a development provides 650 sq. m or

more gross residential floor space (gross internal area) and does not provide 35% as *affordable* floor space on-site, the applicant should demonstrate all of the following:

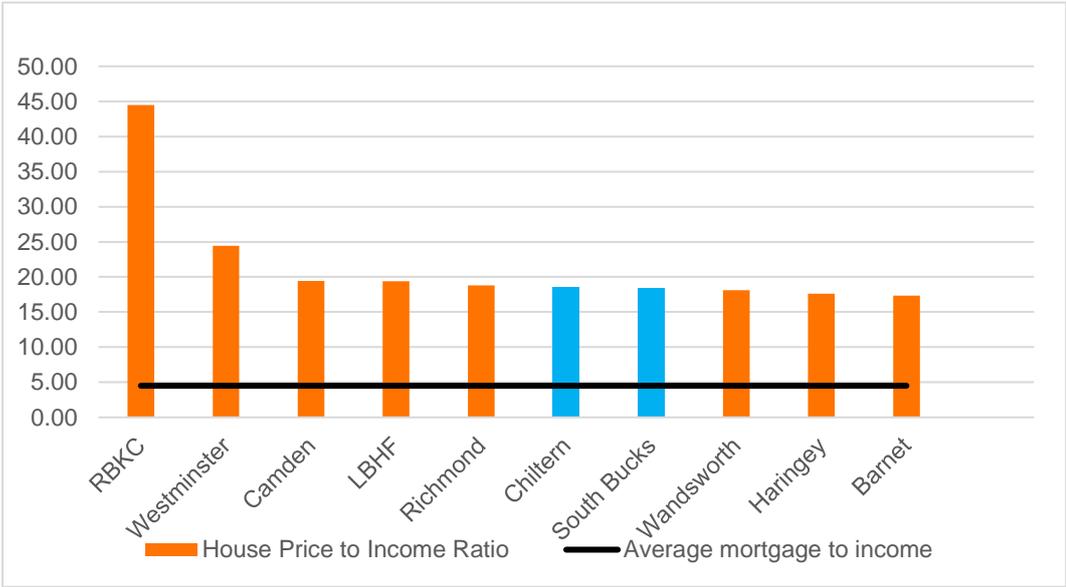
- I. The maximum reasonable amount of *affordable* housing is supplied through the provision of an open book financial viability assessment;
  - II. Supporting evidence which provides justification for the exceptional site circumstances which exist for the reduction of *affordable* housing provision;
  - III. To calculate payments in lieu for *affordable* housing, two viability assessments comparing residual land values on a site-by-site basis – one reflecting the maximum reasonable amount of *affordable* housing provision on site and the second with 100% private housing;
- 2.15 **Policy CH2(f)** requires *affordable* housing and market housing to be integrated in any development and have the same external appearance.
- 2.16 **Policy CH2(h)** states that the *affordable* and market housing should have equivalent amenity in relation to factors including views, siting, daylight, noise and proximity to open space, play space, community facilities and shops.
- 2.17 **Policy CH4 Specific Housing Needs** states that the Council will ensure that new housing development meets the housing needs of a range of specific groups. Amongst other criteria it supports the provision for older people's housing including new extra care and sheltered housing to meet identified local needs.

# 3. Definitions and RBKC Community Housing Products

**Key Guidance**

- Following consultation, the Council’s new term for “affordable” housing is RBKC Community Housing.
- The products within RBKC Community Housing are – social rent, affordable rent (at London Affordable Rent levels) and intermediate rent at the lowest London Living Rent (LLR) levels in the borough.

3.1 For planning purposes, the definition of *affordable* housing is set out in the NPPF (see glossary). In broad terms it includes social rent, *affordable* rent and intermediate housing. This broad definition has been given a local expression in this Borough with the highest house prices in the country. In 2018, the median house prices in the Borough were nearly 45 times the median workplace-based earnings (affordability ratio)<sup>9</sup>, by far the highest anywhere in the country. This is in stark contrast to what a mortgage lender would lend based on incomes, normally a maximum of 4.5 times the income level of a household. Figure 3 below sets out the top ten boroughs in the country with the highest affordability ratios, unsurprisingly eight out of ten are in London.



**Figure 3: Affordability Ratios**

<sup>9</sup>

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

- 3.2 The Council consulted on a new term for the word “affordable” and based on the results, is now using the term RBKC Community housing. Within this new term, the paragraphs below set out the rent levels that can be afforded by those at low to medium incomes. Therefore, the RBKC Community Housing products set out in this SPD are the ones that will be used in legal agreements when planning permission is granted for relevant developments.

### **Social Rent**

- 3.3 Social rented homes are owned by either local authorities or registered providers of *affordable* housing (RPs). Social rent is set in accordance with government guidelines through the national rent regime. These rents are considered *affordable* to the majority of people. The National Planning Policy Framework (NPPF) includes social rent under the general term “affordable housing for rent”. It states, “*rent is set in accordance with the Government rent policy for Social Rent*”.
- 3.4 Our Local Plan Policy CH2(b) requires that 50 per cent of the provision of *affordable* housing where secured is provided at social rent or *affordable* rent levels (described below). However, the latest evidence presented in section 4 below shows that the need has shifted to a much greater need for social/affordable rent. We now require that 70 per cent of the *affordable* housing provision should be at social rent levels. This is in-line with Policy H6 of the NLP.

### **Affordable Rent**

- 3.5 The NPPF requires *affordable* rent to be at least 20 per cent below local market rents. This concept was introduced by the coalition government in 2011. It is clear that that 80 per cent of market rent cannot be considered “*affordable*” in this borough given the high residential values and rents.
- 3.6 Therefore, the appropriate *affordable* rent in the Borough is considered to be that set out by the Mayor of London and termed “London Affordable Rent” (see figure 4 below for a comparison of rent levels). The NLP sets out a combined definition of London Affordable Rent and Social Rents as follows:
- “London Affordable Rent and Social Rent homes are for households on low incomes where the rent levels are based on the formulas in the Social Housing Regulator’s Rent Standard Guidance. The rent levels for Social Rent homes use a capped formula and London Affordable Rent homes are capped at benchmark levels published by the GLA. Rents for both are significantly less than 80 per cent of market rents, which is the maximum for Affordable Rent permitted in the NPPF.”*
- 3.7 The Mayor of London’s document [Homes for Londoners, Affordable Housing Programme 2016-21](#) sets out the London Affordable Rent benchmarks for 2016-17. It specifies that these rents “*reflect the formula rent cap figures for social rents uprated by Consumer Price Index (CPI) for September 2016 plus one per cent. These benchmarks will be uprated each April by the increase in CPI (for the previous September) plus one per cent and updated benchmarks will be published by the GLA on an annual basis.*”
- 3.8 The [Government’s Policy Statement on rents for social housing, February 2019](#) (para 3.3) sets out the circumstances in which *affordable* rents can be

provided. In this borough it can be provided in the following circumstances: (1) by a registered provider (RP) following an agreement between that RP and the GLA; (2) by an RP following agreement between the Council and Secretary of State; and, (3) provided by the Council if agreed by the Secretary of State or the GLA. In all three cases, in this borough, there must be an agreement to let the accommodation at London Affordable Rent levels. The Government Policy also states that *affordable* rent should be no lower than the potential formula rent (social rent) for the property.

### **When will the Council secure Social Rent or Affordable Rent?**

- 3.9 The Council will require that applicants provide 70 per cent of the *affordable* housing provision at social rent rather than affordable rent, as these are the lowest rents possible. The rents that will be charged as social rent in new developments will be capped in accordance with the [Government's Policy Statement on rents for social housing, February 2019](#) (see figure 4 below).
- 3.10 Generally, affordable rent may be secured in planning applications that are referable to the Mayor of London<sup>10</sup>. The Mayor of London must be consulted on planning applications that are of potential strategic importance. London Affordable Rent may also be suitable if it is being used to secure grant funding from the Mayor as follows, and therefore resulting in additionality of *affordable* housing provision.
- 3.11 The Mayor of London's document Homes for Londoners, Affordable Housing Programme 2016-21 sets out funding guidance. The Mayor secured £3.15bn from the Government in 2016 to fund *affordable* homes for Londoners. There are three *affordable* products that are expected to be funded through this grant (1) London Affordable Rent (2) London Living Rent and (3) London Shared Ownership. This acts as an incentive for *affordable* housing providers to deliver these products.
- 3.12 Where applicants wish to use grant funding, London Plan policy requires that they should explore more than 35 per cent *affordable* housing in such cases (see para 4.5.11 of the NLP). In-line with the [Mayor's Affordable Housing and Viability SPG](#), all applicants should explore the use of grant and other public subsidy to increase the level of *affordable* housing to the Mayor's strategic aim of 50%. This approach would help maximise the provision of *affordable* housing and cater for the overwhelming need.

### **Intermediate Housing**

- 3.13 In addition to the social and affordable rent, intermediate housing is an *affordable* product that can work in this borough when set at suitable income levels. Intermediate housing is more expensive than social/affordable rent but costs less than market housing. It caters to middle income groups, with the Mayor of London setting maximum household income caps ranging from £60,000 for rental and £90,000 for ownership products. The evidence presented in Section 4 shows that there is a need for intermediate housing in the Borough. London Plan policy supports provision of intermediate housing

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<sup>10</sup> <https://www.london.gov.uk/what-we-do/planning/planning-applications-and-decisions/what-powers-does-mayor-have-planning>

based on local needs, with an expectation of a minimum of 30 per cent of the *affordable* housing to be provided in this tenure.

- 3.14 To keep intermediate housing affordable, the NLP also states at paragraph 4.6.9 that, *“For dwellings to be considered affordable, annual housing costs, including mortgage (assuming reasonable interest rates and deposit requirements), rent and service charge, should be no greater than 40 per cent of net household income, based on the household income limits set out above. Boroughs should seek to ensure that intermediate provision provides for households with a range of incomes below the upper limit.”*
- 3.15 The Council considers it very important that intermediate housing caters for a range of incomes below the upper limit. This is to ensure the mixed and balanced communities that are essential to the success of the Borough and delivering the vision of the Local Plan. The following paragraphs set out which intermediate products work in the Borough.

### **Intermediate Rent**

- 3.16 The key to intermediate rents working in the Borough is setting rents at an appropriate level. There is an income cap of £60,000 household income for intermediate rent products as set out in the [Mayor’s Annual Monitoring Report 15](#) (para 3.75). This links in with [London Living Rent \(LLR\)](#), which is a type of *affordable* housing for middle-income Londoners. The Mayor of London has published benchmark LLR levels for each ward in the capital. These are based on a third of average local household incomes and adjusted for the number of bedrooms in each home.
- 3.17 The ward income levels in RBKC are often extremely high. Across London, four out of ten wards with the highest LLR levels are in Kensington and Chelsea. Specifically, these are Queen’s Gate, Brompton and Hans Town, Abingdon and Campden. Therefore, setting rents at LLR levels for intermediate rent does not work as an RBKC Community Housing product, which is the intent of this document, in many of the Borough’s wards. In most wards, LLR will only cater to those on income levels close to £60,000.
- 3.18 Therefore, the Council’s housing team is looking at setting intermediate rent levels at the lowest ward level London Living Rent (LLR), which currently is Notting Dale ward. The LLR for Notting Dale ward (£1,066 per month) is similar to the London average LLR (£1,030) for a two bed home based on 2020/21 benchmarks. If it is assumed that a third of household income is spent on housing, this rent level would be *affordable* to someone at an income between £30-40,000 per annum.
- 3.19 The Council will therefore secure 30 per cent of *affordable* housing from relevant development, at LLR levels but at the lowest LLR levels which are currently in Notting Dale ward. In the future LLR could be secured at the level of another ward which happens to have the lowest LLR in the Borough. These rent levels are published annually and could change in the future.

## Comparison of Various Affordable Housing Rent Levels

- 3.20 Figure 4 below presents an idea of the comparative affordability of the three products discussed above – social rent (capped, see para 3.9 above), London Affordable Rent and Intermediate Rent at LLR for Notting Dale levels. The rents are weekly and reflect the rents at this point in time. It is evident that London Affordable Rents are similar to social rent while LLR even at Notting Dale ward level is a lot higher and more *affordable* to people on £30-40,000 incomes per annum.



**Figure 4: Comparison of the various rent levels for the three products**

### Discounted Market Rent

- 3.21 Discount Market Rent (DMR) is an intermediate product and is managed and allocated as such. Where a development meets the criteria set out in Part B of NLP Policy H11, the affordable housing offer can be solely DMR at a genuinely affordable rent, such as London Living Rent level.
- 3.22 Local Plan Policy CH4(e) supports Build to Rent schemes, in particular those that include intermediate rent or *affordable* private rent as part of the *affordable* component. Paragraph 23.3.72 of the Local Plan refers to using the definition in the Mayor of London's Affordable Housing and Viability SPG.
- 3.23 Part C of NLP Policy H11 clarifies that Build to Rent schemes can also benefit from the fast track process where they provide 35 per cent *affordable* housing, or 50 per cent on public sector land. The expectation in such cases is that schemes provide at least 30 per cent DMR homes at equivalent rent to LLR with the remaining 70 per cent at a range of genuinely affordable rents.
- 3.24 As evidenced in the Council's SHMA update, the need in RBKC is for more social/affordable rent. Where large scale Build to Rent schemes come forward, the Council will seek a range of genuinely *affordable* homes with 70 per cent at social rent (or affordable rent where justified) and the remaining

30 per cent *Discounted Market Rent (DMR)* at LLR levels with the preference for these rents to be at the lowest levels in the Borough which is currently in Notting Dale ward.

- 3.25 It is recognised that in some cases it will be appropriate that the entire *affordable* offer in a Build to Rent scheme is at DMR as explained in NLP paragraph 4.11.3 which states that “*Where a developer is proposing a Build to Rent development which meets the definition set out in Part B (Policy H11), the affordable housing offer can be entirely DMR, managed by the Build to Rent provider and delivered without grant, i.e. entirely through planning gain. As it is not a requirement to be a local authority or a Registered Provider to deliver or manage intermediate rented homes that are delivered without grant, these units can be owned and/or managed by Build to Rent landlords themselves. DMR units should be fully integrated into the development with no differences between DMR and market units.*” However, this approach will not be suitable in very large schemes, as they would not address the particular tenure needs of the Borough. Where provided, DMR homes should be genuinely affordable.

## **Intermediate Home Ownership Products**

### **Shared Ownership**

- 3.26 The NPPF includes other *affordable* products within the definition of affordable housing. This includes shared ownership. The Mayor of London includes London Shared Ownership as an *affordable* product within the NLP, an intermediate ownership product which allows London households who would struggle to buy on the open market, to purchase a share in a new home and pay a low rent on the remaining, unsold, share. The Mayor of London has set out a household income cap of £90,000 for such products. Such products will only be considered *affordable* in the Borough where it can be demonstrated that they will be within the reach of a range of income levels below this maximum cap.

### **Other Affordable Routes to Home Ownership**

- 3.27 The NPPF, further includes relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent) as other *affordable* routes to home ownership. For these products (including shared ownership) it also states that “*Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.*”
- 3.28 Clearly, 20 per cent below market value will not be *affordable* in this borough. Any of these products will only be considered *affordable* in-line with paragraphs 3.15, 3.16 and 3.22 above.

### **Having a Registered Provider on Board**

- 3.29 The Council would be interested in acquiring new social rented or intermediate rented homes from developers. It is expected that only registered providers including the Council should own and manage social

rent/ *affordable* housing in any new development. The exception to this will be if the *affordable* housing is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider) as set out in the NPPF (Annex 2) and para 3.25 above. Where a scheme is of a scale where *affordable* housing will be required, developers are strongly encouraged to have a registered provider on board early in the process. This enables the input of the RP into the design and development of the scheme and ensures timely delivery of the *affordable* offer.

- 3.30 The Council should be in agreement on who the registered provider is. A clause to require this will be included in the legal agreement where planning permission is granted. See Appendix 1 for an outline of the heads of terms for legal agreements.

### **Nominations for Affordable Housing**

- 3.31 Nominations for *affordable* housing<sup>11</sup> are made by the Council's housing team. However, a legal agreement at the planning stage should secure the following nomination rights for the Council:
- 100 per cent first nomination rights for all new build housing across all *affordable* housing tenures.
  - 100 per cent nomination rights in perpetuity to all re-lets of all social rent, affordable rent and intermediate homes including intermediate rent, shared ownership, discounted market rent or another intermediate product.
- 3.32 The Council will be looking at developing a list of preferred registered providers who would be willing to enter into the nominations agreement above.

### **Affordable Housing Allocations**

- 3.33 *Affordable* housing allocations are made solely under the Housing Act 1996 (as amended). The Council has a [Housing Allocation Scheme, 2017](#) which sets out the details.
- 3.34 The Council is required by the 1996 Act (as amended) to have an Allocation Scheme and to allocate rental social housing to persons who fall into reasonable preference categories i.e. categories of housing need. We can also set out our own local priorities, and provide for additional priorities (extra priority for those who have a reasonable preference category). Additional and local priorities for rehousing, awarded to residents, reflect the Council's own goals when allocating social housing to residents. For example, residents who are in paid employment, or who are living in an accessible home and who are willing to move to make it available for a resident with mobility impairments, may be prioritised.
- 3.35 Allocations for affordable rent homes are also made to people on the housing register.
- 3.36 The Allocation of intermediate properties will be subject to the Council's agreement and is governed by the Council's Allocation Policy for Intermediate Housing. This policy sets out the qualification prioritisation

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<sup>11</sup> <https://www.rbkc.gov.uk/housing/useful-contacts-and-info/partnership-s/nominations-and-rp-liaison>

criteria for intermediate properties. The Council's Allocation Policy for Intermediate Housing can be found [here](#).

- 3.37 The intermediate products mentioned above are also suitable for keyworkers and particularly in *affordable* housing delivered on public sector land. The NLP paragraph 4.5.6 recognises that *“Public sector land also represents an opportunity to deliver homes that can meet the needs of London’s essential workers who maintain the function and resilience of the city, such as those working in health, fire, police, transport and support services.”* The Council is committed to developing a Key Worker Housing Policy as an intermediate housing offer. Once Key Worker Housing policy has been published the tenure mix plans for future developments in the Borough will be encouraged to take account of it.

## 4. Tenure Mix of RBKC Community Housing

### Key Guidance

Where on-site *affordable* housing is secured, the tenure mix should be provided in-line with Policy H6: Affordable Housing Tenure of the NLP and the latest evidence of need as follows:

- 70 per cent social rent in most circumstances or affordable rent at London Affordable Rent levels in some cases as set out in this SPD.
- 30 per cent intermediate at London Living Rent levels at lowest ward level of LLR in the borough (currently Notting Dale ward).

4.1 Policy CH2 of the Local Plan states that the Council will seek the maximum reasonable amount of affordable housing. To deliver this it will require 50 per cent of the overall housing provision to be for rent and 50% intermediate including intermediate rent and affordable home ownership products. However, due to affordability issues and as set out in the latest evidence there is an exceptional case for RBKC to move away from this aspect of the Local Plan and be in conformity with the emerging New London Plan (NLP) Policy H7 Affordable Housing Tenure.

4.2 The paragraphs below set out how this tenure mix aligns with the Council's priorities and latest evidence.

### The Council Plan 2019 – 2023

4.3 Whilst developing the Council Plan, consultation identified the provision of more social and *affordable* housing as an important issue for local communities. Under the priority of making the Borough "A great place to live, work and learn", the Council will therefore support mixed tenure housing developments that support mixed and inclusive communities. The Council Plan commits to providing more genuinely *affordable* housing, including at least 300 new social homes on its own homes building programme.

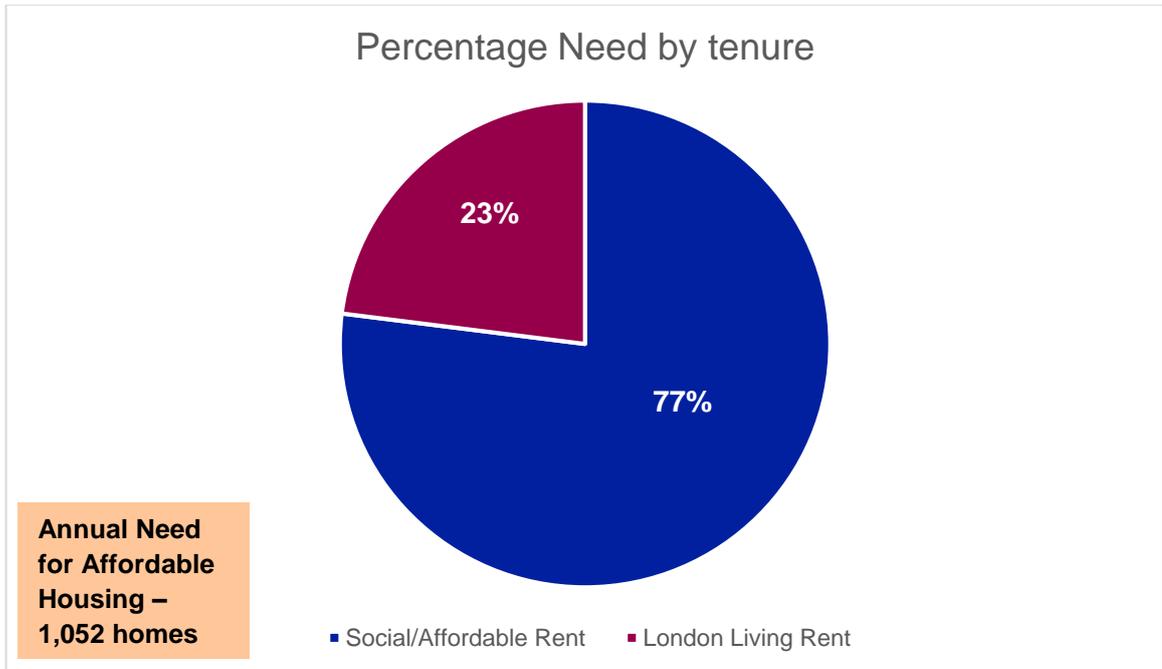
### Housing Strategy 2019 – 2022

4.4 The [Housing Strategy](#) sets out the Council's Vision and key priorities for housing in the Borough over the next four years. One of the six strategic priorities that outlines the Council's approach is to deliver more genuinely *affordable* housing in the Borough. It has shifted its approach from regenerating existing estates to utilising new sites in order to increase housing supply. The Council will be delivering 600 new homes, at least half of which will be social rent homes.

4.5 To build more homes, the Council will utilise its own land and in addition will use the planning policy framework to encourage developers to build more genuinely *affordable* homes across the Borough.

## Strategic Housing Market Assessment (SHMA) Update 2019

- 4.6 The Council has undertaken a partial update of the Strategic Housing Market Assessment (SHMA) originally undertaken for the Local Plan in 2015. This was updated in August 2019 and uses latest information available on the elements of need which the NPPG requires Councils to take into account when determining affordable need. The 2014-based household growth projections prepared by MCHLG, have been used in-line with the NPPF requirement for standard calculation of housing need. Estimated local incomes and the incomes of households in need have been updated to 2019 levels. The threshold costs of different types of *affordable* housing provision and the levels of market rents have increased since the original SHMA.
- 4.7 The partial update shows that the total of backlog need (256 per annum), newly arising need (1,390 per annum), and existing households falling into need (110 per annum) is 1,756 households per annum (paragraph 11 of the SHMA update).
- 4.8 The SHMA then considers the income levels, the proportion of income to be spent on housing costs and the various *affordable* housing rent levels. It is clear from this analysis (Table 6 of the SHMA update 2019) that as a result of the very high lower quartile private rented sector rents in the Borough, a high proportion of households in need cannot afford to access market housing. This is 80 per cent of the backlog need figure or 1,408 households per annum.
- 4.9 The next step is to consider the future *affordable* housing supply. The main component of supply is annual relets from the existing stock. This has been calculated in line with official guidance on the basis of past trends as an average of the past three years' supply. In order to ensure that the estimate reflects the longer-term supply of stock, first time lettings of new dwellings are excluded. The estimate is also limited to re-lets to new tenants and excludes transfer lettings. A total supply of 356 per annum is identified in Table 8 of the SHMA Update. This results in the final estimate of net annual need for *affordable* housing of 1,052 units.
- 4.10 Table 9 of the SHMA Update brings together the detailed breakdown of need and supply by the three tenures of *affordable* housing. For simplicity the overall conclusion is summarised in figure 5 below.



**Figure 5 – Percentage Need by Tenure**

- 4.11 In conclusion, the SHMA update, shows that there is currently a need of 1,052 *affordable* homes across Social Rented, Affordable Rent and Intermediate (based on London Living Rent). The analysis shows that of the homes needed, there is a 77 per cent need for social/affordable rent and 23 per cent needing London Living Rent. To provide mixed and balanced communities, the NLP allows a maximum of 70 per cent to be at social/affordable rent levels and the remaining 30 per cent to be intermediate.

#### **Affordable Housing Viability Study Update 2019**

- 4.12 The Council has undertaken an update of viability to consider the tenure mix to reflect the need arising from the updated SHMA 2019. The 2019 update reran the appraisal exercise with a tenure mix of 70 per cent social rent and 30 per cent intermediate (London Living Rent (LLR) and rents at Local Housing Allowances (LHA)). All other inputs and assumptions remained unchanged from the April 2017 report.
- 4.13 The scenarios tested were: (1) 70 per cent social rent and 15 per cent at LHA level, 15 per cent at LLR (Notting Dale ward level); and, (2) 70 per cent social rent and 30 per cent at LLR (Notting Dale ward level). Further details of LLR are set out in paragraph 3.17 above and as stated in Section 3 the lowest LLR in the Borough which is currently in Notting Dale ward is considered genuinely *affordable* in the Borough. Therefore, the study has used this lowest rent as the benchmark. This demonstrates that the lowest LLR is viable within the 35 per cent minimum *affordable* housing policy requirement and enables rent setting at this level making LLR work in the Borough.
- 4.14 The Viability Study 2019 update states in section 4 that:

*The original study and this update both note that “In high value boroughs such as Kensington & Chelsea, the gulf between market values and the price registered providers can pay to acquire newly developed affordable housing*

*on developments is so significant that changes to tenure mixes rarely result in a significant difference in outcome. However, the Council needs to understand the differences that different affordable housing tenure splits will make on viability, albeit that those differences are likely to be modest.”*

4.15 The study further concludes in section 5 that:

*The appraisal results show that “The impact of varying the overall tenure mix from 50 percent social/affordable rent / 50 per cent intermediate to 70 percent rent and 30 percent intermediate is also modest in most areas and for most site typologies. In all but a handful of cases, the change in residual land value from the base position to scenarios 6 and 7 is less than 10 per cent.”*

*With that caveat in mind, it is clear from the results tables that all the scenarios result in viability outcome which is little changed from the base position. The Council could therefore proceed with any of the seven intermediate tenure scenarios as they all result in broadly viable outcomes; no reduction in the overall quantum of affordable housing would be required to accommodate the proposed tenure mixes.”*

### **Suitable Tenure Mix**

4.16 Based on NLP policy, the evidence in the SHMA and Viability Study updates, the affordability issues in the Borough and the commitments in the Council Plan and the Housing Strategy, the Council will require development to provide the following *affordable* housing tenure mix where on-site *affordable* housing is secured:

- 70 per cent social rent (preferred as set out in section 3 above) or affordable rent at London Affordable Rent levels; and,
- 30 per cent intermediate at London Living Rent levels at Notting Dale ward levels across the Borough.

### **Schemes providing more than 35 per cent Affordable Housing**

4.17 Local Plan Policy CH2 accepts that where 35 per cent *affordable* housing is proposed, and other requirements are also met a viability appraisal is not required. For public sector land as stated in section 3 above this requirement is 50 per cent. It should be noted that the tenure mix of *affordable* housing that is secured on-site will be expected to be at a ratio of 70 per cent social rent (preferred) or affordable rent at London Affordable Rent levels and 30 per cent intermediate at LLR levels for Notting Dale ward. This is regardless of whether the *affordable* housing secured is more than 35 per cent of the residential floorspace. An exception to this will be made in-line with NLP Policy H5 as set out below.

4.18 NLP Policy H5 states that the threshold approach applies to major development proposals which trigger affordable housing requirements. Part B describes the threshold level of *affordable* housing on gross residential development, initially set at: “(1) a minimum of 35 per cent; or, (2) 50 per cent for public sector land...”. Part D of this policy is particularly relevant as it states that, “Developments which provide 75 per cent or more affordable housing may follow the Fast Track Route where the tenure mix is acceptable

*to the borough or the Mayor where relevant.” Supporting text to Part D of Policy H5 is set out in paragraph 4.5.10 and refers to schemes with a high proportion of ‘genuinely’ affordable housing. It also states that these “may be considered under the Fast Track Route whatever the affordable housing tenure mix as long as the tenure and type of home are, **where** supported by the borough and, where relevant, the Mayor, as being genuinely affordable. This should be determined on a case-by-case basis having regard to the housing need met by the scheme and the level of public subsidy involved.”*

- 4.19 The Council will consider development providing 75 per cent or more *affordable* housing on a case by case basis. Although, the Council may consider flexibility in the 70:30 tenure mix in such cases, the *affordable* housing products should be within the definitions set out in Section 3 of this SPD. In other words they should be provided as RBKC Community Housing, addressing identified need.

## 5. Delivering RBKC Community Housing: A Council Priority

### Key Guidance

- Provision of 35 per cent on-site *affordable* homes in all relevant developments of 650 sq. m (GIA) and above is a key Council priority.
- Only in very exceptional circumstances will the Council accept off-site affordable housing provision or payments in lieu.
- Public sector land needs to work harder and provide 50 per cent *affordable* housing on individual sites or across a portfolio of sites when agreed by the Mayor of London.
- The Council will seek HMO conversions to studios as low cost housing (20% below market value).
- The *affordable* offer in extra care schemes can be general *affordable* or *affordable* extra care. This will be determined on a case by case basis.
- The Council will support temporary *affordable* housing as a meanwhile use on multi-phase schemes or sites awaiting development in the longer term.

- 5.1 There is an overwhelming need for *affordable* housing in the Borough as set out in the Local Plan 2019. The Council Plan published in March 2019 notes that Increasing housing supply, particularly of social and *affordable* homes, is a priority for local people and requires a creative response from all tiers of government, including the Council. It also notes that there are over 2,000 households living in temporary accommodation.
- 5.2 Policy CH2 of the Local Plan seeks to achieve the maximum reasonable amount of affordable housing by requiring sites that provide 650 sq. m or more gross residential floor space (GIA) to provide 35 per cent of residential floorspace as affordable housing. Once the 650 sq. m threshold is met, all gross residential floorspace is liable for an affordable housing contribution. Proposals where there is existing residential floorspace on-site will not net off existing floorspace but require affordable housing using the gross internal area (GIA). The policy is also clear that provision of affordable housing should be on-site unless exceptional circumstances can be demonstrated to justify off-site provision or a payment in lieu.
- 5.3 It also accepts that where 35% *affordable* housing is proposed, and other requirements are also met a viability appraisal is not required. An approach similar that taken by the Mayor of London. More details are available in the Planning Contributions SPD, October 2019.

## Protecting Existing Affordable Housing

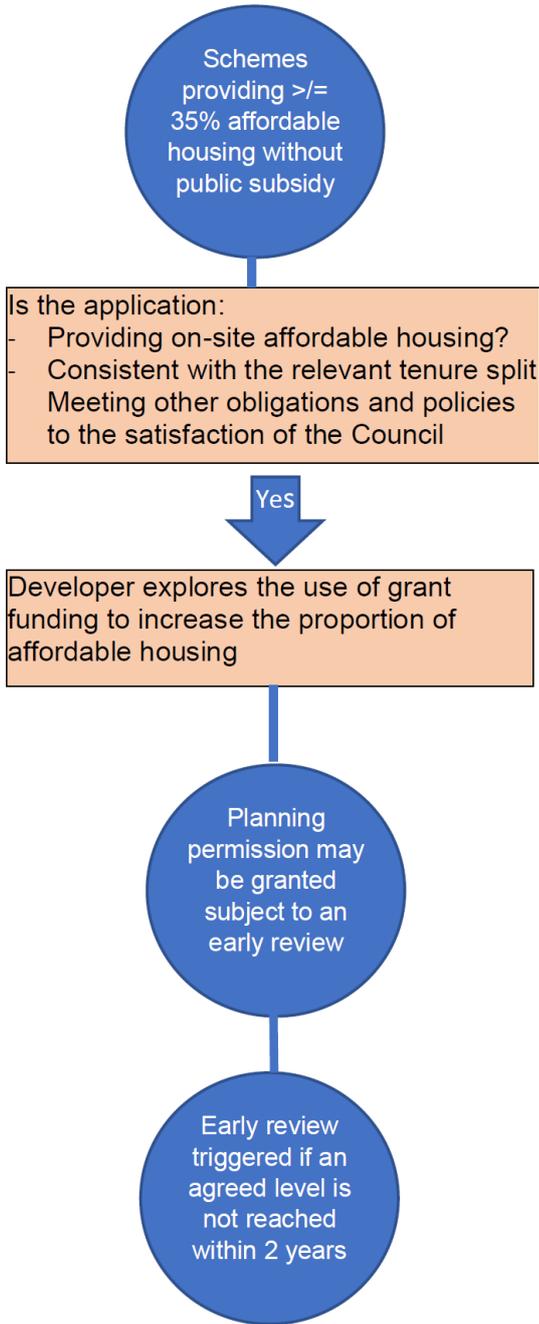
- 5.4 Given that providing more *affordable* housing is a priority for the Council, it follows that the Council protects existing *affordable* housing. Part (f) of Local Plan Policy CH1: Increasing Housing Supply resists the net loss of *affordable* housing floorspace and units throughout the Borough. NLP Policy H8: Loss of existing housing and estate redevelopment, provides further detail. Part D of Policy H8 states that *“Affordable housing that is replacing social rent housing must be provided as social rent housing where it is facilitating a right of return for existing tenants. Where affordable housing that is replacing social rent housing is not facilitating a right of return, it may be provided as either social rent or London Affordable Rent housing. Replacement affordable housing should be integrated into the development to ensure mixed and inclusive communities.”*
- 5.5 The Council has made a commitment to end estate regeneration in the Borough and that remains the case. Therefore, the above London Plan policy will be relevant to estates that are in private ownership or any other social rent properties owned by RPs or the Council. The Council fully expects the right of return on properties it owns and would encourage RPs to do the same. In planning terms, the Council’s preference is for social rent rather than affordable rent homes (see section 4 for more details). It will therefore expect any loss of social rent homes to be re-provided as social rent.
- 5.6 The Council will resist the net loss of any form of *affordable* housing both in floorspace and units across the Borough. If the existing use is considered *affordable*, this policy will apply regardless of whether the existing use was secured with/without a legal agreement or covenant. Where it is accepted that *affordable* housing is to be re-provided, the Council will expect this to be provided on a like for like basis i.e. social rent with social rent and intermediate with intermediate. Further details on definitions and products are set out in section 3.
- 5.7 In addition, Part E of NLP Policy H8 states that, *“All development proposals that include the demolition and replacement of affordable housing are required to follow the Viability Tested Route and should seek to provide an uplift in affordable housing in addition to the replacement affordable housing floorspace.”*
- 5.8 Paragraph 4.8.5 of the NLP states that, *“Estate regeneration that involves the loss and replacement of affordable housing should deliver an uplift in affordable housing wherever possible. Therefore, all such estate regeneration schemes must go through the Viability Tested Route to demonstrate they have maximised the delivery of any additional affordable housing. For the purposes of this policy, existing affordable housing floorspace includes both occupied and vacant floorspace regardless of the current condition of the stock.”*
- 5.9 Therefore, in-line with the NLP Policy H8, the Council will require viability appraisals where a net loss of *affordable* housing is proposed. The minimum expectation is re-provision of the existing floorspace and units

and the Council will seek an uplift in the provision. This will be tested through viability assessment.

### **On-site Provision**

- 5.10 To meet the overall objective of securing the maximum reasonable amount of *affordable* housing within the Borough, the Local Plan (Policy CH2) requires 35 per cent *affordable* housing on-site. This provision should be without the use of public subsidy, meet the specified tenure mix, and other planning requirements and obligations to the satisfaction of the Council and the Mayor of London where relevant. These schemes will not be required to submit viability information (see figure 6). Such schemes will, however, be subject to early stage review mechanisms. This means that if an agreed level of progress has not been made during an agreed timescale, the Council will require the applicant to provide viability information for review to determine whether a surplus that is sufficient to provide additional affordable housing, either on site, or, as a financial sum prior to occupation is required. This will form part of the legal agreement.
- 5.11 Where a qualifying scheme does not provide 35 per cent of gross residential floorspace (GIA) as *affordable* floorspace on-site, Policy CH2 requires the applicant to demonstrate that the maximum reasonable amount is being provided through the provision of an open book viability assessment together with evidence of the exceptional site circumstances or other public benefits to justify the reduced *affordable* housing provision (see Figure 6).
- 5.12 Applicants should follow the appraisal requirements set out in Section 7 of the Council's Planning Contributions SPD, October 2019 and Part 3 of the Mayor of London's Affordable Housing and Viability SPG. The NPPF (paragraph 57) refers to viability appraisals reflecting the recommended approach in the NPPG, including standardised inputs. This endorses the approach that Existing Use Value plus (EUV+) should be used in viability appraisals. The Council fully expects developers to take planning policies into account when acquiring land and the policy requirements for *affordable* housing must be taken into account. Applicants should present *affordable* housing figures as a percentage of the total residential provision by habitable rooms, by unit, and by floorspace.

## Fast track route



## Viability tested route

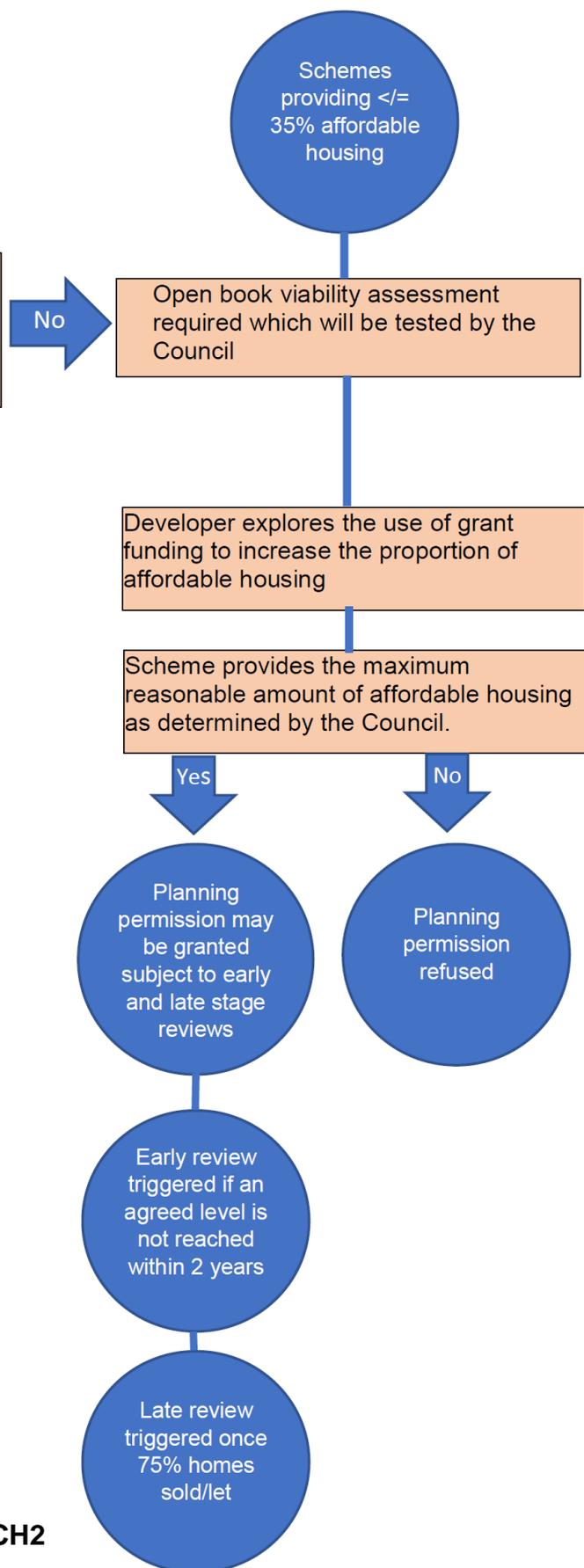


Figure 6: Application of Policy CH2

## Off-Site Provision

- 5.13 On-site provision is the Borough's normal requirement and the priority for how *affordable* housing will be provided from qualifying developments. However, both the Local Plan and the London Plan recognise that there may be exceptional circumstances where off-site provision may be appropriate.
- 5.14 All schemes that propose off-site *affordable* housing will be required to submit detailed site-specific viability information which will be assessed by the Local Planning Authority, and where relevant the Mayor of London, to justify the lower level of on site affordable housing and any off site provision. Viability information will be published as part of the application. In addition the requirement in Local Plan Policy CH2 (e) must also be demonstrated to the satisfaction of the Council.
- 5.15 Off-site *affordable* housing requirements will be calculated by reference to the total housing provision on the main development site and any linked sites which must be in the Borough providing off-site *affordable* housing. For the purposes of the initial assessment and viability reviews the Mayor of London's strategic target of 50 per cent *affordable* housing will be sought across the main site and any linked sites providing *affordable* housing when considered as a whole in-line with the Mayor's Affordable Housing and Viability SPG.
- 5.16 In instances where it is accepted that off-site provision is appropriate, the onus will be upon the developer to find and acquire a suitable site in the Borough. In such circumstances the *affordable* housing will be secured through a legal agreement. Off-site provision should be financially neutral i.e. there should be no financial advantage to a developer in providing the housing in this way. Such schemes will, where required, will be subject to both early and late stage review mechanisms as set out in the Mayor's Affordable Housing and Viability SPG.
- 5.17 Part (d) of Local Plan Policy CH2 requires that in such circumstances, schemes that include off-site *affordable* housing should be made concurrently with the main planning application and that the two applications are linked through a legal agreement or unilateral undertaking.

## Payments in Lieu

- 5.18 In the exceptional circumstances where neither an on-site or off-site contribution are possible, a payment in lieu may be justified in accordance with Local Plan Policy CH2. Paragraph 35.3.36 of the Local Plan refers to the guidance in the London Plan<sup>12</sup> and tailors these circumstances to the Borough as follows:
- Secure a significantly higher level or provision; and/or,
  - Better address priority needs as indicated in the Council's most up-to-date published needs assessment.

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<sup>12</sup> Policy 3.12 and paragraph 3.74

- 5.19 It is also accepted that by setting a floorspace threshold of 650 sq. m (GIA) which is below the national policy level, could mean that in some cases the development is too small for on-site provision. However, in each case it should be explored whether an RP will be willing to take the *affordable* units that may be viable on-site. The Council will support pepper potting these homes to integrate them into the development. This is in-line with the objective of Part (f) of Policy CH2 which seeks to create tenure blind developments.
- 5.20 If the principle of a payment in lieu for *affordable* housing has been accepted, the process for calculating the value of payments in lieu is set out in Policy CH2. It is based on the principle that replacing on-site *affordable* housing provision with a payment in lieu should be financially neutral for the developer.
- 5.21 Applicants are required to provide two viability appraisals comparing residual land values on a site-by-site basis – one reflecting the maximum reasonable amount of *affordable* housing provision on-site and the second with 100 per cent private housing. There should be no difference in the layout and build quality of the two schemes i.e. the difference should only be the change in the tenure of the *affordable* housing to private housing for purposes of undertaking the viability assessment. The benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a reasonable premium for the landowner as set out in the NPPG on Viability, paragraphs 013 to 016. The two agreed residual land values will then be compared to the existing use value plus a premium benchmark. If the residual land value of the scheme with *affordable* housing equals or exceeds the benchmark land value, then a payment in lieu is calculated using the formula set out in the Planning Contributions SPD, October 2019.

### **Approach for Opportunity Areas**

- 5.22 The Borough contains two Opportunity Areas – Kensal Canalside and Earl's Court (part) which are site allocations in the Local Plan. As acknowledged in the Council's Planning Contributions SPD, 2019 (section 5, *"By their nature, they are complex to bring forward and require significant investment in infrastructure. The Mayor, through his Affordable Housing and Viability SPG, encourages boroughs to take a more localised approach to planning contributions including affordable housing in these areas. The Local Plan identifies such an approach for the Earl's Court Opportunity Area<sup>13</sup>. "*
- 5.23 The Council will produce a SPD for the Kensal Canalside Opportunity Area which will address issues of infrastructure. The SPD will be supported by detailed consideration of viability information.
- 5.24 The NLP and the Mayor's Affordable Housing and Viability SPG recognise that there is a differential in value between industrial and residential land which may enable such sites to deliver more affordable housing. The NLP

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<sup>13</sup> Earl's Court and West Kensington Opportunity Area Joint Supplementary Planning Document 2012, <https://www.rbkc.gov.uk/planning-and-building-control/planning-policy/supplementary-planning/earls-court-and-west-kensington>

(Intend to Publish version, para 4.5.7) expects 50 per cent affordable housing on such sites to enable them to follow the Fast Track route. However, footnote 59 of the NLP recognises that *“if it is robustly demonstrated that extraordinary decontamination, enabling or remediation costs must be incurred to bring a surplus utilities site forward for development, then a 35 percent affordable housing threshold could be applied, subject to detailed evidence, including viability evidence, being made available.”*

- 5.25 The Council has clearly set out its approach to RBKC Community Housing in this SPD. Given the scale and complexity of the opportunity area sites it is likely that a Viability Tested Route will be applicable for any planning applications. Any departure from planning policy will need to be robustly justified and supported by evidence.

### **Extensions and Creating a Single New Home**

- 5.26 The NPPF (paragraph 63) requires that *affordable* housing should only be sought from major development. The NPPG on Planning Obligations (paragraph 023) further specifies that planning obligations should not be sought from any development consisting only of the construction of a residential annex or extension to an existing home. Community Infrastructure Levy (CIL) is considered to be the appropriate mechanism for planning contributions in these cases by the NPPG on Planning Obligations (paragraph 023).
- 5.27 In the unlikely event that a very large home is being extended and the 650 sq. m is reached or exceeded, and there is no provision of a new home, the Council will make a judgement on whether a payment in lieu for *affordable* housing is required. This will be based on the submission of CIL forms and if the criteria set out in CIL [regulations 42A and 42B](#) for obtaining an exemption for a residential annex or residential extension is met. The Regulations allow exception from liability to pay CIL where the development is an extension to the main dwelling or a residential annex, and the person making the application has a material interest in the land. Extensions of less than 100 sq. m are already exempt from liability to pay CIL under minor development exemption. If a relevant development is deemed exempt from CIL, based on the same principle, it is likely to be considered exempt from the requirement for *affordable* housing contribution.
- 5.28 Where a new dwelling is being created, the CIL self-build exemption criteria will be used to assess whether the owner is eligible for an exemption from liability to pay CIL in respect of a chargeable development, or part of a chargeable development. An exemption from CIL is available to anybody who is building their own home or has commissioned a home from a contractor, house builder or sub-contractor. Individuals benefiting from this exemption must own and occupy the dwelling built as their sole or main residence for a minimum of 3 years after the work is completed.
- 5.29 The approach specified above for extensions and self-build homes without the requirement to provide *affordable* housing from such development is in-line with the objectives of national policy. This is as set out in paragraph 23.3.30 of the Local Plan which states that, “It is considered that setting the threshold at 650 sq. m is generally unlikely to affect the exemption in the

national policy intended for custom and self-builders as these typically involve building a single unit.”

- 5.30 For other schemes which fall below the definition of major development but at or above 650 sq. m GIA, Policy CH2 will apply. It is recognised in paragraph 23.3.30 of the Local Plan that due to the extremely high land values in the Borough, the provision of *affordable* housing is not a disproportionate burden on small scale developers.

### **Public Sector Housing**

- 5.31 In October 2018 the Council announced a programme to build new housing. The programme is to build 600 new homes, including a minimum of 300 homes for social rent, along with other facilities. The [Housing Strategy Action Plan \(up to March 2021\)](#) provides a timeline for the Stage 1 schemes with a start date of October 2020 to build the first 94 new homes.
- 5.32 The requirement for public sector land is to provide 50 per cent *affordable* housing and this applies to the Council’s own home building programme as well as any other proposals on public sector land in the Borough. This is in line with Policy H4 Delivering affordable housing of the NLP. The requirement in Policy H4 A (4) is to deliver “*at least 50 per cent affordable housing on each site and public sector owners with agreements with the Mayor delivering at least 50 per cent affordable housing across their portfolio.*” Therefore, whilst individual sites should provide 50 per cent, it could be, that if agreed with the Mayor of London (and normally this may involve grant funding), the 50 per cent can be provided across an identified portfolio of sites. This intent should be clear and agreed. In some instances this can be placed within a legal agreement and planning applications made concurrently.

### **Loss of HMOs to Studios**

- 5.33 The Council’s policy on HMOs is set out in Policy CH4 c. which protects HMOs unless the proposal concerns conversion into self-contained studio flats. The policy requires that any such proposals are subject to a s106 agreement to ensure the flats remain as studios in perpetuity. The supporting text to the policy recognises that HMOs provide a form of low cost housing.
- 5.34 The NPPF defines other “affordable routes to home ownership” which includes low cost homes for sale (at a price equivalent to at least 20% below local market value).
- 5.35 The policy intent of Policy CH4c. is to recognise that studios are a form of low cost housing and therefore where HMOs are converted to studios, the Council will seek that the studios are secured as low cost homes for sale with their price at least 20 per cent below local market value.
- 5.36 It is important to clarify that when HMOs are converted to self-contained studios, the requirements of Policy CH2 are triggered in the same way as for any other residential development. Therefore, the policy will apply to any change of use from HMO to Use Class C3 studios if the Gross Internal Area (GIA) is equal to or more than 650 sq. m (GIA).

- 5.37 NLP Policy H9 Ensuring the best use of stock, Part C states that *Boroughs should take account of the role of houses in multiple occupation (HMOs) in meeting local and strategic housing needs. Where they are of a reasonable standard they should generally be protected.*

### **Extra Care Housing**

- 5.38 Policy CH4: Specific Housing Need of the Local Plan 2019 supports the provision for older people's housing including new extra care and sheltered housing to meet identified local needs. It also resists the loss of existing older people's housing unless the loss is to improve substandard accommodation or increase the existing provision on the site.
- 5.39 Paragraph 23.3.64 explains that the level of care provided within older people's housing can influence the way in which planning permissions are assessed. It makes clear that nursing and care homes fall within Use Class C2 (residential Institutions). Importantly the provisions of Policy CH2: Affordable Housing apply to extra care housing and retirement housing. The *affordable* offer in extra care scheme can be general *affordable* or *affordable* extra care to be decided on a case by case basis. The policy requirements as set out in Policy CH2 will apply along with the guidance on definitions and tenures provided in this SPD.
- 5.40 The NLP Policy H13: Specialist older persons housing is also relevant and paragraph 4.13.4 is particularly helpful in clarifying that the requirement for *affordable* extra care does not apply to care home accommodation. Four criteria are listed under 4.13.4. Whilst the Local Plan 2019 makes reference to care homes and then states that the provision of Policy CH2 apply to extra care housing and retirement housing, the criteria listed in the NLP will be used to assess care home accommodation. Paragraphs 4.13.6 is also relevant as it sets out the attributes of specialist older person housing covered by Policy H13.

### **Meanwhile Uses**

- 5.41 At about 4.5 sq. miles, Kensington and Chelsea is the smallest London borough. In addition, about three quarters of the Borough is within conservation areas. It is densely built up and all of these factors heavily constrain the nature and size of development sites in the Borough. The Local Plan has identified sites with a development capacity of about 5,500 homes. Of these, two are in opportunity areas<sup>14</sup> - Earl's Court and Kensal Canalside. Earl's Court already has outline planning permission for 930 homes and detailed permission for about 600. Kensal Canalside has been identified in the Local Plan to have a minimum capacity of 3,500 new homes. Sites such as these and other large sites can take some years to develop.
- 5.42 Given the pressing need for genuinely *affordable* homes in the Borough, one way of accelerating delivery to look at "meanwhile uses" on sites awaiting development. Meanwhile uses are described in paragraph 4.3.1 of the NLP which states, "*Meanwhile uses are a range of temporary uses on land and property awaiting longer-term development. Some vacant land is*

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<sup>14</sup> Opportunity areas are a London Plan designation and the definition is reproduced in the glossary

*suitable for meanwhile use as housing. To make efficient use of land that would otherwise be left vacant, boroughs are encouraged to identify sites that are suitable for residential occupation to be used for meanwhile housing including land in both public and private ownership. Opportunities for the meanwhile use of land for housing on large-scale phased developments should be identified during the planning process. The meanwhile use of a site for housing does not change the established land use of the site, and this should be made clear in the temporary planning permission. However, meanwhile housing should count towards meeting a borough's housing target."*

- 5.43 NLP Policy H3 Meanwhile use as housing encourages boroughs to identify opportunities for the meanwhile use of sites for housing to make efficient use of land while it is awaiting longer-term development. Multi-phased sites to be developed over many years would be ideal for housing as a meanwhile use. Although given the nature of the Borough other sites should also be considered where the prospects of development appear to be longer term. This could include but not limited to sites in Council or public ownership.
- 5.44 In such locations, the Council will support temporary housing to be made available for the relief or prevention of homelessness as a meanwhile use.
- 5.45 All supporting paragraphs in the NLP relating to Policy H3 will be of relevance in assessing planning applications for meanwhile use. This includes the use of precision-manufactured homes. These homes built in factories elsewhere can enable quick delivery and high standards in terms of energy efficiency. The duration of the time limited planning permission will need to be considered on a site-by-site basis. Key factors will be the phasing plan for sites and/or the timescales for permanent development coming forward. The NLP (paragraph 4.3.4) advises Boroughs to consider starting the time period for the meanwhile use from the date of occupation rather than the date of planning permission, in order to support the viability and delivery of meanwhile housing developments.

### **Socially Inclusive Developments**

- 5.46 Policy CH2f. of the Local Plan requires that *affordable* housing and market housing should be integrated in any development and have the same external appearance. Paragraph 23.3.48 refers to this as being "tenure blind" or designed so that it is not possible to distinguish between *affordable* and market housing. Policy CH2 g. also specifies that *affordable* and market housing should have equivalent amenity including views, siting, daylight, noise and proximity to open space, playspace, community facilities and shops.
- 5.47 These policy requirements are supported in the National Design Guide which supports socially inclusive design and a mix of uses. It states (paragraph 116) that where different tenures are provided, they are well-integrated and designed to the same high quality to create tenure neutral homes and spaces, where no tenure is disadvantaged.
- 5.48 The guide further states at paragraph 119 that, "*Good design promotes social inclusion by:*

- *contributing to creating balanced and mixed neighbourhoods that are suitable and accessible for all;*
- *maximising the potential for social integration in the layout, form and appearance of types of development;*
- *avoiding features that could create actual or perceived barriers, or contribute to segregation, both within the development and with its surroundings;*
- *providing a consistent level of design quality across tenures, to support social integration; and*
- *using local resources such as schools, nurseries, community facilities, parks, other open spaces, health, and religious or cultural facilities in layouts to promote social interaction and integration, and help combat loneliness.”*

5.49 The Council will be looking for good design based on the above principles. The Council also requires new homes to be net zero carbon. Further guidance will be included in a forthcoming Greening SPD.

## 6. Community Space

### Key Guidance

- The Council recognises that community spaces stimulate a sense of community particularly if this is provided as a meeting space or flexible workspace.
- Significant housing developments proposing 100 or more new homes should carry out a community space audit and include community space within the development proposal where there is a demonstrable need.
- Where provided community space should be part of the overall benefit package and not come at the cost of compromising the provision of affordable housing.

- 6.1 Local Plan Policy CK1: Social and Community Uses protects existing social and community uses and supports the provision of new facilities. The Local Plan recognises that such uses enable the community to function and that they have a role in stimulating a sense of community. One of the strategic objectives of the Local Plan: Keeping Life Local and supports the social and community facilities to be widely available.
- 6.2 Paragraph 18.3.4 of the Local Plan defines social and community uses, and of particular relevance to this SPD is the inclusion of community meeting halls/rooms within this definition. A place to commune can complement housing schemes by promoting social interaction and increasing opportunities for people from diverse backgrounds to meet each other. This would make an important contribution to developing strong and inclusive communities. However, such space should be part of the overall benefit package and not come at the cost of compromising the provision of *affordable* housing.
- 6.3 NLP Policy S1: Developing London's Social Infrastructure at part A recognises that a strategic needs assessment of social infrastructure should be undertaken to inform policies in the Local Plan. It also states at D. that, "*Development proposals that seek to make best use of land, including the public-sector estate, should be encouraged and supported. This includes the co-location of different forms of social infrastructure and the rationalisation or sharing of facilities.*"
- 6.4 Paragraph 5.1.1 of the NLP recognises that social infrastructure covers a range of services and facilities which make a contribution towards quality of life.
- 6.5 In light of the above, significant housing development proposing 100 or more new homes should carry out a community space audit and provide evidence of the needs of the community in that area. The audit should include an assessment of existing provision. This must be both quantitative and qualitative. It should include an assessment of the quality and the nature of existing facilities as well as their distribution. If a shortfall is identified and there is a demonstrable need, it should be included as part of the development proposals. Early consultation with the community living in the area will form an essential element of collating this evidence. Proposals which include community space based on

the above evidence should also include sustainable and long-term management plans for these uses. Facilities should be designed so that they are accessible to all sections of the community (including older and disabled people). Provision should be proportionate to the scale of the proposal and must reflect the nature of the of the development itself.

## 7. Engagement and Co-design

### Key Guidance

- The Council will use the principles of engagement as set out in the Statement of Community Involvement (SCI) on any Council led proposals for affordable housing.
- The Council in particular commits to using collaboration with its residents as a key principle in its engagement.
- The Council will produce a procedure note outlining the requirements for early consultation.
- Applicants are required to undertake early engagement and agree the form this will take with the Council.

7.1 The Council undertook a consultation on its Draft Statement of Community Involvement<sup>15</sup> (SCI) in October/November 2019 and adopted it in February 2020. The SCI sets out how the Council will consult on all aspects of planning.

7.2 A strong principle that the Council wishes to embrace is one of collaboration. The following principles of engagement as set out in adopted SCI, February 2020 will be adhered to in how we engage with our communities:

**Table 2: The principles of engagement**

Principles of engagement	
<b>1.</b>	We will continue to adhere to <b>legislative</b> requirements, including relevant acts and regulations, in all planning matters.
<b>2.</b>	We will strive to write planning-related documents in accessible and direct terms – Meaning <b>less jargon</b> .
<b>3.</b>	We will pursue a <b>collaborative approach to policy</b> development – hearing from residents and businesses wherever possible – in order to deliver the best outcomes for those whom we are here to serve.
<b>4.</b>	We will <b>champion early engagement</b> in planning matters, involving residents and other stakeholders. This will apply to both, policy development and individual applications.
<b>5.</b>	We will <b>proactively engage</b> with our communities, especially younger audiences, through online engagement. We want to hear from a wider range of voices than ever before, and must adapt to the way people choose to make their voice heard.
<b>6.</b>	We will reach out to our communities in the most direct and least resource-intensive manner possible, so that we can deliver <b>simple and cost-effective</b> mechanisms for engagement in planning matters.

<sup>15</sup> <https://planningconsult.rbkc.gov.uk/consult.ti/DraftSCI/consultationHome>

**7.** We will set out clear expectations in relation to how we want **developers to engage** with our communities throughout the planning process, urging them to work constructively with residents and businesses. We want developers to actively seek residents' and businesses' views. By giving that clarity, developers can feel supported in bringing forward ambitious plans that will improve our local area.

**8.** We will develop ways for both, new and existing residents and businesses to **feed back** in the post development phase to the Council. We think residents and businesses, who have seen first-hand how applications have been seen through to completion, will have valuable insights that we can take forward into future applications. New communities will be particularly relevant in the post development stages. This regular loop can help to deliver desired outcomes and can be incorporated into policy reviews.

**9.** We will invite **ward councillors** to meet with major site case officers, and developers, at the earliest possible point – in order to articulate their communities' support or concerns for major applications at an early stage where their thoughts can be impactful and, we hope, acted upon.

7.3 The Council wants to ensure that we reach out to as many of our communities as possible who are likely to be affected by or have an interest in the planning process. We will therefore, use a range of methods to communicate with stakeholders. The consultation techniques that we will use are set out in section 3 of the SCI.

#### **Guidance for Applicants at Pre-application Stage**

7.4 A key aspect for residents and in particular for this SPD will be how developers engage with residents at an early stage before a planning application has been submitted. The details of this are set out in section 6 of the SCI.

7.5 As set out in the SCI, the Council will produce a procedure note which will include details of a new form of engagement before the planning application is submitted. The consultation will be proportionate to the nature and scale of development. Developments that include *affordable* housing, by their very nature are likely to be large scale developments. For large scale developments, resident's forums will be set up to enable local residents, businesses and organisations to comment on proposals at a time when potential applicants are in the earliest position to consider them. These forums would enable the Council, the applicant, residents and interested stakeholders to be in the same room, discussing the issues related to the development proposal before a planning application is made. This will enable developments to be shaped by key stakeholders with consideration of local issues prior to submission of a planning application. We will also be encouraging the use of exhibitions and other public events as well as the inclusion of more digital online methods of consultation such as apps and social media platforms.

7.6 For large-scale proposals, we will expect potential applicants to agree the extent and type of consultation with us to make sure that the consultation

process is appropriate. The following figure illustrates the range of engagement that will feed into large scale proposals.



**Figure 7: Engagement on large scale proposals (PPA stands for Planning Performance Agreements<sup>16</sup>)**

### **Planning Application Stage**

7.7 Due to the statutory timescales for determining planning applications, there is less flexibility in going above legislative requirements for consultation. Nevertheless, there are a number of opportunities to comment on planning applications and publicity is made through a number of channels such as notifying neighbours adjoining the site, putting up site notices and enabling residents to receive email alerts by registering for a MyRBKC account. Further details of how we consult on planning applications are set out in section 7 of the SCI.

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<sup>16</sup> See glossary for definition

# Appendix 1: s106 Heads of Terms

The Heads of Terms for s106 legal agreements will be agreed on a case by case basis, but the following list provides a guideline of the likely items to be included, in relation to this Draft SPD.

1. Specify the number and location of *affordable* homes/floorspace/habitable rooms to be provided.
2. Specify the proportion and number of social rent/ London Affordable Rent or Intermediate homes to be provided.
  - When intermediate rent is to be secured this will be at the lowest LLR rate payable in the Borough (currently Notting Dale Ward).
  - Social Rental Levels – to be secured at social rents for which guideline target rents are determined through the national rent regime.
  - Affordable Rent – to be secured at London Affordable Rent.
3. Council to agree the registered provider who will be taking on the *affordable* housing.
4. 100 per cent first nomination rights to the Council (for all lets and subsequent re-lets in perpetuity – for the avoidance of doubt this can be secured through the s106 usually through the nominations agreement to be appended in draft form) – nominations agreement to be entered into with the Council.
5. Early stage reviews for policy compliant schemes which did not require a financial viability assessment where an agreed level of progress on implementing the permission has not been reached after two years of the permission being granted or as agreed with the Council, and the Mayor of London where relevant, on a site-by-site basis.
6. Early and late stage reviews for non-policy compliant schemes which provide less than 35 per cent *affordable* housing.
7. Specify that off-site provision must be within the borough boundary of the Royal Borough of Kensington and Chelsea. It must be an identified site with a linked PP to be taken into account.
8. The agreed payment in lieu where relevant and the payment triggers for these.
9. Any additional Service Charges to be capped to ensure that they do not exceed the actual costs of services to provided.
10. Peppercorn/subsidised rent for social and community floorspace.

# Glossary

Term	Definition
<p><i>Affordable Housing</i></p>	<p>In terms of planning, <i>affordable</i> housing is housing, be it for sale or for rent, for those, “whose need are not met by the market.” This definition is set out within the Government’s <a href="#">National Planning Policy Framework (2019)</a>. A home is considered by the Government to be “affordable” if it is either sold or rented at least 20 per cent below the local market value.</p> <p>There are lots of different types of <i>affordable</i> housing including housing that provides a subsidised route to home ownership and/or is for essential local workers.</p> <p>In this borough the products that are considered genuinely <i>affordable</i> are social rent, affordable rent and intermediate rent.</p>
<p>Affordable Rent</p>	<p>This is a slightly different form of <i>affordable</i> housing to social rent. The rental levels can vary considerably by area, as long as they are never more than 80% the market level of rent.</p> <p>In this borough, even housing offered at a 20% discount level cannot be considered to be truly affordable to the majority of people. Therefore, only homes provided at a specific rent, “London Affordable Rent” are considered to be affordable. The cost of renting these homes is very similar to those at “social rent.”</p>
<p>Co-design</p>	<p>Offers a collaborative approach in encouraging a wide range of people to have their say in how to offer solutions to issues that may occur in an area. This approach goes beyond conventional consultation practices by building relationships between citizens affected by or attempting to find solutions to a particular challenge or problem. A key aspect of co-design is that users are viewed as experts of their own experiences and have in-depth knowledge of the neighbourhood in which they live. They offer valuable insight into how a development could potentially impact the local area and the lives of the people who reside there.</p>

<b>Term</b>	<b>Definition</b>
Council Plan	The Council Plan is a comprehensive overview of the Council's values, activities and ambitions. It forms the basis of what the Council will focus on achieving for the next four years.
Housing in Multiple Occupation (HMO) RBKC Planning Definition (from the Local Plan)	Permanent residential accommodation occupied by more than one household and characterised by the shared use of facilities, normally of a W.C or bathroom or both.
Housing in Multiple Occupation (HMO) (C4 use class)	Use of a dwellinghouse by 3-6 residents as a 'house in multiple occupation' (HMO NB: Large HMOs (more than 6 people) are unclassified therefore sui generis.  Change from Use Class C4 HMO to a single dwelling house (Use Class C3) is permitted development.
Intermediate Housing	This is a type of housing which is more expensive than social or affordable rent levels but still less than market housing. It caters to middle income groups, but to keep them truly affordable, the Council will secure them a lowest possible London Living Rent (see below) levels in the Borough.
Local Plan	The Local Plan is the key planning document setting out the vision, objectives and planning policies to guide future development of the borough. Legislation requires that planning applications must be determined in accordance with the policies set out in the Local Plan unless material considerations indicate otherwise.
London Living Rent	<a href="#">London Living Rent (LLR)</a> is a type of <i>affordable</i> housing for middle-income Londoners. The Mayor of London publishes the benchmark LLR levels for each ward in the capital. These are roughly a third of the average local household income in a ward and adjusted for the number of bedrooms in each home.
London Plan	This strategy is prepared by the Mayor of London and is also known as the Spatial Development Strategy for London.

<b>Term</b>	<b>Definition</b>
Low cost housing	The NPPF defines other “affordable routes to home ownership” which includes low cost homes for sale (at a price equivalent to at least 20% below local market value).
National Planning Policy Framework (NPPF)	This sets out the Government’s planning policies for England and how these are expected to be applied. It provides a framework within which locally-prepared plans for housing and other development can be produced.
Off-site provision	Off-site provision relates to a developer providing the required affordable homes on an alternative site in the Borough.
On-site provision	This relates to the preferred approach of providing affordable homes on the development site.
Opportunity Areas	These are defined in the London Plan as; London’s principal opportunities for accommodating large scale development to provide substantial numbers of new employment and housing, each typically more than 5,000 jobs and/or 2,500 homes, with a mixed and intensive use of land and assisted by good public transport accessibility.
National Planning Practice Guidance	<p>The National Planning Practice Guidance (NPPG) is a web-based resource which brings together planning guidance on various topics into one place. It was launched in March 2014 and coincided with the cancelling of the majority of Government Circulars which had previously given guidance on many aspects of planning.</p> <p>References in this SPD are taken from the Guidance published 29 November 2016; last updated 1 October 2019.</p>
RBKC Community Housing	RBKC Community Housing is the new term that the Council will use to refer to genuinely affordable housing. The term has emerged following consultation on the Draft Affordable Housing SPD. The products within RBKC Community Housing are – social rent, affordable rent (at London Affordable Rent levels) and intermediate rent and the lowest London Living Rent (LLR) levels in the borough.

Term	Definition
S106 agreements	<p>These are legally binding agreements between the Council and a developer setting out the planning obligations to mitigate the impacts of a development proposal. These obligations can be financial or non-financial. They must meet the three tests below:</p> <ul style="list-style-type: none"> <li>• necessary to make the development acceptable in planning terms;</li> <li>• directly related to the development; and</li> <li>• fairly and reasonably related in scale and kind to the development.</li> </ul> <p>These tests are set out as statutory tests in <a href="#">regulation 122</a> (as amended by the 2011 and 2019 Regulations) and as policy tests in the National Planning Policy Framework.</p>
Social Rent	<p>These are homes which are owned by the Council or by a registered provider of affordable housing and then let to people at a truly affordable rent. They offer homes at the lowest level of rent.</p>
Strategic Housing Market Assessment (SHMA)	<p>A key component of the housing evidence base to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period.</p>
Studio Flat	<p>Nationally described floorspace standards define a 1 bed 1 person home requiring a minimum gross internal floor areas and storage of 39 or 37 sq. m (where a 1b1p has a shower room instead of a bathroom) 1 bed 2 person home is 50 sq. m for 1 storey dwelling and 58 sq. m for 2 storey dwelling.</p>
Tenure blind	<p>Ensuring that different tenures of housing (social rented, private market and so forth) cannot be distinguished because they have different external appearance.</p>