London Borough of Redbridge

Housing Delivery Test Action Plan Summer 2020



1 Introduction

1.1 The Housing Delivery Test (HDT) is a measure of a local planning authority's (LPA) housing completions over a rolling three-year period, expressed as a percentage of the cumulative housing requirement or target over that timeframe. Full details of the method for calculating the HDT are specified within the 'Housing Delivery Test Rule Book1' and Planning Practice Guidance. It forms a key instrument in the Government's efforts to prompt housebuilding, and is embedded within the current National Planning Policy Framework (NPPF).

1.2 In Redbridge, this means measuring against the annual London Plan target, which is presently 1,123 homes per annum. The Housing Delivery Test results, scheduled for publication each November, will then be used to show housing delivery against this figure and are expressed as a percentage of the target.

1.3 The consequences of failing the Test are set out in the NPPF. These apply until subsequent Test results demonstrate that delivery has recovered in subsequent years:

Percentage score on HDT:	95% or less		85% or less		75% or less*
Consequences for LPA	Must produce a		Previous measure plus		Previous measures plus
	Plan	IDT Action Plan →	20% buffer on the Five-Year Land Supply	→	Presumption in Favour of Sustainable Development

*From November 2020, after transitional arrangements

1.4 Following the publication of the HDT results up to the 2018-19 period; Redbridge, with a result of 60%, has been identified as requiring a 20% buffer on its future Five Year Land Supply, alongside the production of an action plan to demonstrate how the Borough plans to incentivise increased housing delivery across future years.

1.5 This Action Plan builds upon the work previously undertaken and outlined in the Action Plan covering the 2017-18 HDT results, and most of the activities outlined in that document are still valid. However, there is the added pressure from the significant changes to the planning system that are proposed within the Planning for the Future White Paper; and the broader economic and social context has also changed significantly since the last HDT Action Plan publication as a result of the Coronavirus Pandemic.

1.6 The Action Plan outlines the steps being taken at an organisational level to boost the supply of homes in Redbridge, ensuring delivery provides for needs arising from population

¹ Available from <u>https://www.gov.uk/government/publications/housing-delivery-test-measurement-rule-book</u>

and economic growth cycles, whilst helping to foster sustainable development along with mixed and balanced communities.

2 Covid-19 Response

2.1 Currently there is no indication that the HDT measurement will be adapted to consider the current situation with COVID-19. There have been some announcements to date and these include:

- The extension of planning permission expiry dates
- Changes to the Use Class Order that bring most town centre commercial uses within a single "Class E" use class
- New prior approval routes for upwards extensions to enlarge houses or create new flats; and for the demolition of disused buildings and rebuilding as flats
- Temporary permitted development rights for takeaways, markets and other commercial changes to aid social distancing
- A new requirement that homes created through prior approval have adequate natural light to habitable rooms

2.2 Covid-19 has many immediate and longer-term consequences regarding housing and whilst the market is still uncertain, issues and potential trends include:

- The inadequate housing conditions of many Londoners, especially people in Temporary Accommodation or who live in shared or non-self-contained properties
- Increased mortgage deposit requirements will affect sales to first time buyers
- Increased expectations from buyers for outdoor amenity space and home offices

2.3 A wider corporate response from a development and regeneration perspective is being developed as part of the Growth Commission report. In addition, the Council's chief executive sits on the London-wide Covid-19 Housing Delivery Taskforce.

2.4 At the same time, there has been a renewed emphasis on the importance of key workers being able to access quality, affordable housing close to their workplaces. The G15 group of housing associations has published a proposal to deliver 100,000 "homes for heroes²" which would involve the use of off-site modular construction.

3 Preparation of the Action Plan

3.1 How the Plan has been Prepared

3.1.1 The Action Plan has been produced by the Planning Policy team, and is based in part upon the previous Action Plan and those of other boroughs that took part in a Planning Advisory Service pilot.

² <u>https://g15.london/news/homes-for-Heroes</u>

3.1.2 The Action Plan will continue to be developed in conjunction with other key service areas including Regeneration, Housing, Property, and Highways to ensure that it fully reflects how housing delivery is going to be achieved.

3.2 Review of Previous Actions

3.2.1 The previous Action Plan set out a variety of actions necessary across the Council to accelerate housing delivery. Some of these were previously existing programmes, and some required further attention.

3.2.2 Different actions have different resource requirements and have made further progress than others. Additionally, there have been wider changes necessitating a different approach to that undertaken in the Action Plan.

3.2.3 During early 2018, the Council had a Planning Advisory Service (PAS) Peer Challenge Review, where planners and councillors from other authorities were invited to review the Council's planning department and help shape its ongoing improvement efforts.

3.2.4 Subsequently, when the Government announced details of the Housing Delivery Test, Redbridge was part of a PAS pilot programme to produce an Action Plan, which resulted in the accelerated production of the first Action Plan in early 2019, and discussions with other pilot boroughs about underlying issues and suggested actions going forward.

Action	Summary	Progress
Implementing relevant actions from the Council's recent PAS Peer Challenge Review	Many recommendations from this Review relate to improving the performance of the Planning Service including improvements in service delivery, pre- application service and use of planning performance agreements (PPAs) all of which will play a part in increasing the pace and certainty of delivery;	Substantial process, largely implemented to date
Offering more pre- application discussions	This will ensure site specific issues are identified early	PPAs promoted for all major applications
More proactive approach to landowner engagement	Where sites have 'stalled' the Council will contact site owners/developers to understand why, obtain up-to- date information on the build out of current sites, identify any barriers and discuss how these can be addressed	Relatively limited, however there has been some progress on key sites including King George and Goodmayes Hospitals, notwithstanding other NHS priorities.

Table 3.1 - Review of Previous Actions

Determining the possibility of prioritising certain applications, simplifying conditions, phasing condition discharge on approved sites and reviewing standardised conditions	This could include reviewing the standard conditions used, the phasing of conditions, and the option of fast track applications	Limited progress. A fast track service now exists for householder prior approvals.
Ensuring adequate resourcing for Section 106 agreements and working with the Greater London Authority (GLA) on proforma agreements	Section 106 agreements that follow a standard template and use standard formulae can be signed more quickly	Section 106 proforma agreed with legal team, new Planning Obligations SPD in force
Capitalising on the arrival of Crossrail in 2019 which will be a catalyst for change and significant growth in the borough	The implementation of Crossrail is anticipated to significantly increase the supply of housing in the borough, particularly in the llford and Crossrail Corridor Investment and Growth Areas	Limited, largely due to the delays in Crossrail's arrival
Reviewing the Redbridge CIL	This will enable the Council to collect more money to spend on strategic infrastructure projects, which will help with unlocking difficult sites;	Draft charging schedule consulted on. This was ready to go to Examination in 2020, but has been postponed due to COVID-19 and the potential new centrally determined "Infrastructure Levy".
Review availability of additional funding through regeneration bids, Mayor's Good Growth bid etc.	Redbridge has utilised funding from a variety of sources to advance delivery on challenging sites – whilst the "Housing Zone" was an initiative of the previous Mayoralty and no new schemes are being supported through it. However, there are new opportunities for certain types of schemes including the lifting of the HRA borrowing cap.	£60 million of GLA funding secured for HRA Phase 2 sites.

4 Planning Policy and Housing Delivery Analysis

4.1 National Context

4.1.1 Housing delivery is a priority of the Government and there have been a number of initiatives to stimulate housing supply across England - including:

- Affordable Homes Programme
- Affordable Homes Guarantees
- Lifting the Housing Revenue Account borrowing cap (thus allowing Councils to borrow more money to build and refurbish social housing)
- New Homes Bonus (a type of revenue match funding to Councils to supplement council tax from new housing completions)
- Housing Infrastructure Fund
- Home Building Fund (loans targeted at SME builders who cannot access commercial finance)
- Accelerated Construction (intended as a faster means of delivering on public land vs traditional disposal routes)
- Help to Buy equity loans (government backed equity loans designed to allow people to buy homes with a smaller deposit and reduced monthly payments for the first five years)
- Help to Buy ISAs and Lifetime ISAs (tax-free savings products designed to help people save for a mortgage deposit)

4.1.2 The Government's efforts to date have, however, focused primarily on home ownership rather than assisting private renters or increasing the delivery of social housing.

4.1.3 The "First Homes" proposal aims to boost home ownership through providing a form of discounted market sale where the percentage discount is retained in perpetuity at future resales. However, the housing sector has warned the new product will "crowd out" more affordable tenures during Section 106 negotiations.

4.1.4 The Planning for the Future White Paper proposes significant changes to the planning system (at both plan making and development management stages), with a view to accelerating the planning process. Elements of zoning are proposed, along with the use of design codes and Local Development Orders.

4.1.5 The planning system is also becoming increasingly data-led and digital. This has been led through the Connected Places Catapult; and the White Paper expects a digital, mapbased plan; with technology used to support consultation and engagement.

4.2 London Context

4.2.1 London's economic resurgence during the early 21st century has brought significant transformation to much of the city. However, whilst indices show London having 45% more jobs and 27% more people in 2008 than 1997, London only has 18% more homes³; and previous trends towards smaller household sizes flatlined in part due to the shortage of housing.

³ GLA "Housing in London" 2019

https://www.london.gov.uk/sites/default/files/housing in london 2019.pdf

4.2.2 London's housing targets have increased significantly since strategic London-wide governance was restored; the first London Plan from 2004 included a target of 23,000 homes per annum, which was increased to 30,500 in 2007; 32,210 in 2011; and finally, 42,389 in 2015. However, this target has rarely been reached.

4.2.3 The new London Plan, which is expected to be adopted shortly, proposed an even more ambitious target of 65,000 homes per annum; however, after the GLA reviewed the Inspectors Report this was revised downwards to 52,000 homes per annum due in large part to concerns over the practicality of the proposed approach to "small sites" under 0.25 hectares. The "Intend to Publish" version of the London Plan is now with the Secretary of State, and remaining disagreements regarding the plan content are in the process of being resolved.

4.3 Local Context

4.3.1 Redbridge is a primarily residential borough in north east London, of some 301,785 people (mid 2017 estimate) covering 65.41 km². Its main town is the metropolitan centre of Ilford, with smaller district centres at Barkingside, Gants Hill, South Woodford, and Wanstead. The borough benefits from good public transport links to central London via the Central line and TfL Rail, which will only improve with Crossrail, as well as road links to the national motorway network. The Local Plan Key Diagram (Figure Figure 4.1) shows the key transport links and growth areas within the borough.

Figure 4.1 - Redbridge Local Plan Key Diagram



4.3.2 The borough also includes generous green spaces including Valentines Park, Fairlop Waters and parts of Epping Forest including Wanstead Flats; as well as well-regarded schools.

4.3.3 All these make it an increasingly attractive location and have resulted in a buoyant local property market. However, it has faced a combination of London-wide and more locally specific housing, demographic, and development challenges that have necessitated this Action Plan.

4.3.4 The borough's built fabric is described more comprehensively in the Redbridge Characterisation Study (2014), but consists largely of Victorian and Edwardian terraces; and 1930s and post-war semi-detached housing, interspersed with a stock of predominantly low-rise purpose-built flats along with flat conversions in larger, older properties.

4.3.5 The existing housing stock is overwhelmingly privately owned, with 94,570 private sector dwellings, 4,450 Council dwellings, and 4,910 Registered Provider dwellings; and an overall stock of 103,920 dwellings⁴. Owner occupation is high but there has been a significant shift to the private rented sector in recent years.

4.3.6 Redbridge adopted a new Local Plan in March 2018. This plan provides an up-to-date planning framework and demonstrates a pro-active approach to growth, directing the majority of new housing to the borough's five Investment and Growth Areas (Ilford, Crossrail Corridor, Gants Hill, Barkingside and South Woodford).

4.3.7 Ilford and the Crossrail Corridor are by far the largest of the Investment and Growth Areas in regard to the number of homes expected from allocated sites, and are also expected to contribute a significant proportion of windfall sites. Crossrail will provide a transformative effect to the actual and perceived connectivity of these sites to central London.

4.3.8 The need for effective delivery of housing and supporting infrastructure from within the Local Plan is urgent, because Redbridge is undergoing rapid change demographically which includes growth in both population and average household size. Much of this is driven by welfare reform and increased property prices and rents in more central boroughs such as Tower Hamlets and Newham.

4.3.9 Redbridge has increasing housing demand as evidenced by the fact that it is the:

- London borough with the 13th fastest increasing property prices (year to February 2020).
- English local authority with the 4th largest projected percentage increase in population.
- English local authority with the 2nd largest average household size (2014).

4.4 Development Plan Status

4.4.1 The current development plan comprises the following documents:

Adopted:	
London Plan (2016)	Redbridge Minerals Plan (2012)
Redbridge Local Plan (2018)	East London Waste Authority Joint Waste Development Plan (2012)
Emerging:	London Plan (2020)

⁴ Figure as of 1 April 2018. Based on LT 100, accessed a t

https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stockincluding-vacants

4.4.2 Redbridge adopted its Local Plan in March 2018, and is currently considering options for a Local Plan review.

4.5 Delivery in Redbridge

4.5.1 Table 4.1 gives short term housing delivery performance over the three-year period (2016-19) used to calculate the HDT results published in February 2020.

Year	Delivery figures (London Development Database)	Delivery figures (MHCLG)	Annual Housing Target (London Plan)
2016-17	810	760	1123
2017-18	462	468	1123
2018-19	765	789	1123
Total over 3 years	2037	2017	3369
45% of target			1516
HDT (%) result	60.4%	59.9%	Passes in February 2020.

Table 4.1 - Housing Delivery in Redbridge

4.5.2 This performance is poor; and in fact, Redbridge had the 6th worst HDT result of any London borough. However, Figure 4.2 shows this is part of a longer-term trend of under delivery

Figure 4.2 - Net housing delivery 2007-18



4.5.3 Redbridge has not delivered its annual housing target since 2006/07, and its long-term performance at meeting both housing targets, and housing need (which is over double the housing target) is among the worst amongst local authorities in London. In common with other local authorities, Redbridge is largely dependent on the private sector for delivery, however delivery has been largely limited from large sites. Although house prices in Redbridge are around average for London (with average private sector rents lower than average for London), the median house price is 14.77 times the median gross annual (local) income; a worse affordability ratio than for London as a whole (whose ratio is 12.05).⁵

4.5.4 The Council has been proactive at both member and officer level at increasing the level of delivery, with the establishment of a high-level Growth Board within the Council providing a steer on strategies relating to development. The Leader of the Council has assumed the Growth and Leisure roles within his portfolio.

4.5.5 Redbridge has a borderline five-year land supply of developable sites. However, many sites included within this supply have been allocated for development for significant periods of time. Some sites were identified as part of the 2008 Local Development Framework (LDF), but no or little progress was made in the intervening time period, largely due to the late 2000s recession.

4.6 Housing Pipeline and Allocated Sites

4.6.1 In March 2020, there was a pipeline of approximately 3,502 consented net conventional homes.

⁵ Source: ONS House price to workplace-based earnings ratio, release date 19 March 2020

4.6.2 The housing pipeline in Redbridge consists predominantly of a mixture of medium to large sites, largely concentrated in town centres and the Crossrail Corridor, alongside small infill sites that are relatively dispersed across the borough. The continued delay of Crossrail has therefore contributed to slow progress on major sites in the key growth areas.

4.6.3_Additionally, the mix of tenures and unit sizes is reflective of the higher density town centre sites (where smaller units are preferred); and the borough's full housing potential is not being explored.

4.6.4 The delivery of the plan does not rest on any individual project; the largest current permission has 683 units. This therefore means that the 1000+ unit schemes that were examined as part of the Letwin Review⁶ into build out rates are not represented within the current pipeline; however, some larger schemes in planning or pre-application stages are in excess of this figure.

4.6.5 However, as part of the same review, Molior, a commercially run development database, showed an even lower build out rate in London for schemes of 500 or more. There is a clear negative correlation between scheme size and build out rate; which the mixed nature of site allocations and delivery in Redbridge helps to mitigate against.

4.6.6 The low levels of affordable housing delivery in Redbridge, however, may have a negative effect on build-out rate; and certainly, has a negative impact on how quickly new units are occupied.

4.6.7 The Coronavirus crisis has only further highlighted the need for housing, but few in need can purchase market housing, and housebuilders will not build market housing if they cannot sell, so a mixture of tenures is even more vital; as is an increased focus on key worker housing in areas near to workplaces.

4.6.8 Given the difficulty of bringing larger allocated sites forward, small sites account for a relatively large percentage of the housing pipeline. 23% of the pipeline consists of schemes of 1 to 25 units; and the percentage of delivery from schemes of this scale is slightly higher, at 29% in 2018/19, because such schemes tend to be completed faster and thus spend less time in the pipeline.

4.6.9 Smaller sites tend to have a wider mix of pre-existing uses, these typically include:

- Existing housing and associated outbuildings, garden land, and parking courts
- Community facilities
- Mixed use properties (e.g. flats above shops)
- Offices
- Storage units / warehouses / lock-up garages

4.6.10 Small sites are far more reliant on housing as a source than large sites – only 63 homes were proposed on existing housing sites or ancillary land [gardens, garages, etc] as part of large developments, but 242 homes were proposed on said sites as part of small

⁶ Letwin Review <u>https://thinkhouse.org.uk/site/assets/files/1535/buildout.pdf</u>

developments, forming 30% of the small development pipeline. This is in the context of a borough where housing is the predominant pre-existing land-use outside of designated open space and green belt.

4.6.11 There is a wide variety regarding types of site in terms of ownership, size, and potential densities and typologies. However, it should be noted that:

- There is relatively little vacant / derelict / scrub land proposed for development
- Most sites are previously developed
- There are few large-scale redevelopments of existing housing, owing to the small social housing stock and disparate ownership of private housing.

4.7 Existing Housing as a Supply of Land

4.7.1 Existing housing (and associated land and outbuildings) is clearly used as a supply of housing land, however such development is mostly on a small scale, and whether it takes place, and in what format, is generally driven primarily by the expedience, finances, and capability of landowners, than any longer term strategy of the Council. For example, it may be expedient in the short term to build a bungalow in the rear garden of a property on a corner plot – as there is comparatively little planning risk, the project may be affordable to a landowner, and will ultimately provide a capital receipt, rental income, or accommodation for a family member; but in some circumstances this could prejudice a more comprehensive development on that site, or even on adjacent sites due to the additional opportunities for overlooking and overshadowing.

4.7.2 A larger development, however, carries more risk, and there are considerable numbers of suburban areas in cities of high housing demand where housing delivery in any individual neighbourhood may be less than one new dwelling per year.⁷ Conversely, there are more remote sites where it is unlikely that larger redevelopments would ever occur, and smaller developments would be deliverable more quickly by SME builders.

4.7.3 Estate regeneration is less of a contentious issue in Redbridge than in some other local authorities; this is in part due to the smaller overall amount of existing council stock, and the generally good condition of the council's housing stock; however, caution should be taken to any approach to boosting housing delivery involving the redevelopment of existing homes, due to the risk of displacement.

4.7.4 However, English homes are by international standards old, small, and of low quality; and the present rate at which homes are demolished in London (particularly private dwellings) imputes an unfeasibly long life expectancy (anything from 400 to 2000 years) for the existing dwelling stock. An approach broadly following the Mayor's Good Practice Guide to Estate Regeneration, but adapted to consider private renters, leaseholders, and owner-occupiers, would serve to address such issues.

⁷ <u>https://www.centreforcities.org/reader/sleepy-suburbs/how-does-policy-explain-where-houses-are-built-within-cities/</u>

4.8 Infrastructure

4.8.1 To support additional housing and ensure existing residents are supportive and can see the benefit of additional housing, ensuring timely provision of infrastructure is essential.

4.8.2 Redbridge has a quickly growing population, and has social infrastructure needs in relation to schools and healthcare (such as a number of GPs per capita below the London average) and these pressures in turn reduce local support for housebuilding due to the fear of increased pressure and competition for services.

4.8.3 Funding cuts from central Government and the limited power of local government to raise and spend are largely to blame for service pressures that lead to an anti-development attitude.

4.8.4 Failure to build sufficient housing not only means losing out on increased council tax receipts as well as planning gain, but also that household formation (e.g. amongst younger people living with parents or sharing with others) continues to be suppressed, meaning larger numbers of people using public services per council tax liable dwelling.

4.8.5 As well as revenue funding cuts, capital grant funding for new public facilities is also difficult to secure. The Infrastructure Delivery Plan which supports the Local Plan includes £428 million of infrastructure requirements at 2015 prices; this does not include a significant number of uncosted schemes. The current borough CIL charge can realistically only fund approximately 15% of identified infrastructure requirements. Although Section 106 can also be used in some cases, other sources continue to be required to supplement planning gain.

4.8.6 Redbridge also has issues with transport capacity. Whilst Crossrail will to some extent alleviate this and provide additional capacity for housing growth, the Central Line can only accommodate limited growth until its expected upgrade in the late 2020s as part of the "New Tube for London⁸". Whilst radial links to Stratford and central London are very good, if crowded; orbital public transport links between different areas of the borough require additional improvements. Therefore, continued planning policy input is needed into the Council's funding bids to TfL, to ensure that the proposed transport improvements can support housing growth.

4.9 Viability and Development Costs Issues

4.9.1 Redbridge has locally specific challenges for viability; as build costs are approximately 90% of those in central London for any given building typology, and yet sales values - although rising rapidly – are much lower. However, other outer London boroughs will experience similar difficulties.

4.9.2 Additionally, Ilford and the Crossrail Corridor has many proposals for tall buildings. These require careful consideration, as the expectation of increased housing yield results in higher residual land values, whilst the additional engineering and logistical requirements

⁸ <u>https://tfl.gov.uk/campaign/tube-improvements/what-we-are-doing/improving-the-trains</u>

result in increased build costs; which means that proposals for tall buildings can have marginal viability.

4.9.3 To secure permission, developers may offer affordable housing even where a viability assessment says the scheme cannot support that amount and/or tenure of affordable housing through cross-subsidy; potentially resulting in a permission where the implementation is more vulnerable to changes in economic circumstances, such as those experienced now.

4.10 Stalled Sites

4.10.1 Stalled sites are where a site that has been identified for development (or where development has been approved or started) is subject to significant delay. This delay can occur at any stage of the development cycle, from conceptual design to scheme fit-out. However, the Action Plan will focus on sites with planning approval where delays happen before and during the main construction phase.

4.10.2 Stalled sites can be caused by client side, contactor side, or third party (such as a local authority) issues and delays. By far the largest cause is financial, where either the client or contractor is unable to secure sufficient finance at the right time.

4.10.3 Section 106 agreements are typically only used for schemes of 10 units or more, where policy requires affordable housing. Delays usually come from failing to clearly set out the information required from the developer, a lack of capacity within the Council's legal team, and the time taken to draft and agree the wording of the Section 106 agreement, however a new proforma with legal team input has helped to expedite the drafting of agreements

4.10.4 Section 38 agreements (for the Council to adopt a road within a development as a highway) and Section 278 agreements (for a developer to undertake works within the public highway) are other potential sources of delay, particularly for larger schemes where internal consultation with Highways will occur in parallel to the planning application process.

4.10.5 Around a third of units are delivered as part of schemes referable to the Mayor on size criteria (over 150 units). Some smaller schemes are referable on the basis of height. This process of referral to the Mayor, both when an application is submitted and when a Planning Committee resolve to approve a scheme, presents a potential opportunity for delay.

4.10.6 Crossrail is justifiably a considerable factor in increasing development, but it is also a driver of land speculation, with development on some sites only likely to occur in the early 2020s following the opening of the line. This is reflected in a GVA study on Crossrail⁹, which explains how development in outer London is more occupier led than developer led - in 2017 Crossrail was "Reinforcing the direction" of existing development; but by 2026 it would

⁹ <u>https://learninglegacy.crossrail.co.uk/wp-content/uploads/2018/07/4D-003-</u> <u>crossrail_property_impact_regeneration_study.pdf</u>

be "Creating Change" in Ilford. Major sites currently in pre-application discussions will be likely to contribute to this change in direction.

4.11 Affordable Housing

4.11.1_Redbridge has acute needs for different types of affordable housing, particularly housing for low income renters. The low existing stock of affordable housing (just 9.0% of the borough's housing is owned by the Council or a Registered Provider, the lowest percentage of any local authority in London) means that the ability to meet newly arising need through turnover in the existing stock is limited, leading to decade-long waiting lists for 3-bedroom council properties.

4.11.2 The Council is responding to this through its HRA council housebuilding programme, which consists of several phases of development. As of 2020, Phase 1 is largely complete or under construction; Phase 2 is funded and is going through design and planning stages; and Phase 3 sites have been approved for feasibility studies.

4.11.3 Regarding affordable housing, the Council believes that Coronavirus has demonstrated the importance of providing quality affordable housing options, and rejects the demands of some within the property sector to allow wholesale reductions of affordable housing levels. The Council is exploring options to buy blocks of housing that are under construction or recently completed.

4.11.4 Affordable housing delivery is often less affected by economic changes than market housing (particularly market housing for sale), because it is always in demand, and rental incomes are relatively predictable; however, delivery is still affected by the demand for market housing due to "cross subsidy" through Section 106 agreements.

4.11.5 The cross-subsidy model, whereby homes for market sale generate a surplus which is used to part-fund affordable housing [the remainder of the funding often being borrowed against future rental income], is widely considered to be "broken" within the housing sector¹⁰, because it has not been delivering anywhere near the amount of affordable housing required by policy, which in turn is less than the calculated need.

5 Responses and Actions 2020/21

5.1 Finding and Delivering Housing Capacity

5.1.1In addition to the continuation of actions from 2017/18 the main new action is a call for sites and work to review the capacity of existing sites.

5.1.2 There are three main avenues that will be explored to identify additional housing capacity:

- 1. Identifying additional sites to be allocated
- 2. Identifying additional capacity on "known" sites

¹⁰ See, for example this news story quoting a director at major housing association L&Q. <u>https://www.insidehousing.co.uk/news/news/cross-subsidy-model-is-absolutely-bust-says-lqs-development-director-63621</u>

3. Encouraging additional capacity on "unknown" sites

5.2 Identifying Additional Sites to be Allocated

5.2.1 The key new action for the 2020/21 is an annual call for sites to seek to identify additional sites, not allocated in the Local Plan, for redevelopment. To this end, the Council will in late 2020 be launching a "Call for Sites". This is the outward-facing part of a more comprehensive review of the borough's land that includes:

- Reviewing sites in the London SHLAA (Strategic Housing Land Availability Assessment) 2017 for assessment
- Internal consultations with housing, highways, property, and regeneration colleagues to identify land known to other service areas, to determine if they should be submitted and assessed
- Actively contacting landowners, statutory bodies, housing associations and other third parties and requesting information / inviting them to submit sites for consideration

5.2.2 Sites submitted as part of the call for sites will be given a preliminary assessment to determine their suitability in principle for redevelopment (for housing and/or other uses), and then capacity assessments will be carried out on newly identified sites, along with existing allocations.

5.2.3 The capacity assessment will consider the physical characteristics of the site itself, but will also use the Characterisation Study or Area Assessment to guide what is appropriate for its context. The Characterisation Study will help determine a suitable geographic spread for housing and will help identify individual small sites as well as infill and conversion opportunities common to a street or building layout.

5.2.4 This will involve assessing the built and natural environment, and socio-economic characteristics, of the towns and neighbourhoods within Redbridge, with a view to identifying their strengths and weaknesses, opportunities for improvement, and their ability to accommodate different forms of housing and other development.

5.3 Identifying Additional Capacity on Known Sites

5.3.1 Additionally the sites currently allocated in the Local Plan will be reviewed. The large number of site allocations within the Local Plan, along with how their potential was assessed, meant that relatively conservative assumptions were made regarding site capacity. The "density matrix" from the 2013 London SHLAA was used to calculate site capacity for most Local Plan allocations where more detailed information, such as a planning application or pre-application proposal, was absent.

5.3.2 This calculated approach provides a robust overall figure for development potential across the borough, but more detailed massing / master planning exercises (including emerging pre-apps) for individual sites is showing that additional capacity exists within known site allocations. Otherwise, sites will be re-assessed for capacity along with those previously identified.

5.3.3. However, the *maximum* capacity may not be the optimum capacity – a fully maximised site may incur additional build and finance costs for diminishing returns, have a

more complicated and lengthy build, and involve compromises on design, amenity, unit and tenure mix.

5.3.4 The Council is using a variety of tools including VU City 3D modelling software to assess the potential for increased densities and determine the likelihood of cumulative impacts from adjacent sites. Such tools can also help with public participation, as (especially with complex sites or layouts) it can be difficult to visualise a building from submitted plans and elevations.

5.3.5 Exploring options relating to different emerging policies or policy options. Changes in policies other than those directly relating to housing density can impact on the housing capacity of a site, for example, car parking requirements.

5.4 Encouraging additional capacity on unknown sites

5.4.1 The Council intend to use their Local Plan evidence base, as well as an integrated approach to data, to help unlock additional capacity on sites that are too small to be identified or cannot reasonably be identified, to ensure a robust pipeline of small sites.

5.4.2 The GLA's proposed "small sites" policy for the new London Plan sought to unlock the potential of outer London for housing delivery, by introducing a significantly more positive approach to small housing development that boroughs were expected to embed in their own planning framework with design codes and local policies. It was envisaged that in well-located parts of London within 800 metres of a town centre or station, additional housing would be created from places such as back land sites; disused or derelict garages, outbuildings, or plots of land; and conversions, extensions to, or the demolition and redevelopment of, the existing housing stock.

5.4.3 Increasing the planning certainty of small sites, and promoting their delivery across the town centres and neighbourhoods of Redbridge, is important to supporting SME developers, builders, and contractors. This is particularly important given their cashflow issues; and it can also help to rejuvenate areas outside town centres and support local businesses and services. At present, it is often easier to promote very tall buildings in metropolitan centres, than buildings in suburban areas marginally taller than their surroundings.

5.4.4 An appropriate policy and procedural framework is important to ensure small sites are genuinely supported in practice, and that local concerns are managed. For example, how can we ensure visual harm is clearly defined, so it can be minimised.

5.4.5 This would also help to counteract the existing policy situation that pushes housing supply either into city centres or the edge of the urban area (which in the case of London, due to a strict GLA approach to Green Belt, generally. means "out of London" entirely).¹¹

5.4.6 The concept of suburban intensification / densification has evolved over some time, with an initial milestone being HTA's "Suburbia" concept, launched in 2014, which informed

¹¹ <u>https://www.centreforcities.org/reader/sleepy-suburbs/how-does-policy-explain-where-houses-are-built-within-cities/</u>

subsequent proposals focussed on how housing could be intensified¹². However, the GLA's proposed small sites policy, whilst encountering difficulties at Examination in Public and therefore watered down, did inform other work such as the Croydon Suburban Design Guide¹³.

5.5.7 The potential exists for additional housing sites to be allocated in the long term through Local Plan reviews; and less formally assigned for housing in the short to medium term through the Brownfield Land Register, and the SHLAA. This will help to ensure that the five-year land supply can be maintained and could be used to mitigate against any shortfall in delivery on other sites (including small sites as defined in the draft London Plan).

5.7.8 The Council has greater ambitions on affordable housing and pushed to secure funding for 600 affordable homes through the GLA programme. This forms part of the manifesto commitment to securing the delivery of 1,000 within the current administration. Some Council land is not suitable for short term redevelopment

Table 5.1 Overview of Actions

The following table outlines proposed actions to identify and support additional housing delivery:

Action	Description	Purpose / Outcome	Timescale
Call for Sites	Requests to third parties to submit information on sites for review and inclusion in Housing Capacity Study	Additional land for housing and other uses will be identified for further assessment	Late 2020
Housing Capacity Study	Review of land from Call for Sites and other sources to assess longer term capacity for housing and other land uses	Sites will be assessed for suitability, availability and achievability; as well as potential capacity, to secure a Five-Year Land Supply and for inclusion in the Brownfield Land Register and other documents	2021
Brownfield Land Register	Updated following Housing Capacity Study review	The Brownfield Land Register will be used as a "rolling" register of sites, as it does not need to go through the lengthy site allocation process.	2021

¹² HTA Suburbia: <u>https://www.hta.co.uk/project/supurbia</u>

A subsequent document, "Transforming Suburbia" suggests that Local Development Orders could be used to grant planning permission to certain forms of residential intensification. <u>https://www.pollardthomasedwards.co.uk/download/supurbia-</u> <u>semipermissive_v5_LR.pdf</u>

¹³ <u>https://suburbandesign.croydon.gov.uk/</u>

Characterisation Study	Undertake Characterisation Study to identify capacity of different areas / neighbourhoods / typologies to accommodate change	A Characterisation Study will be produced with a spatial analysis of the borough; this will include GIS analysis and will be suitable to inform future spatial strategy, site allocations and policies	2021
Small Sites	Evidence base and policy options to more effectively unlock small sites	An increased quantity and quality of small sites applications will be appropriately managed and delivered within the borough	2021
Affordable Housing	Continued engagement with G15 and G320 Housing Associations	Housing Associations will deliver and partner on schemes of different sizes within the borough	Ongoing
Council Housing	Delivery of Phase 2 and Phase 3 HRA schemes, identification of additional opportunities	At least 300 additional homes will be delivered as part of Phase 2; easing the Council's waiting list	Ongoing
Redbridge Living	Delivery of Clements Road, Loxford Lane and Seven Kings Lorry Park sites	Mixed tenure housing schemes will be delivered and sites brought into a more efficient use	2023
Duty to Cooperate	Ensure policy issues that threaten, or can enhance, the supply of housing area addressed, including strategic sites and infrastructure that are near borough boundaries, and sub-regional topics including Epping Forest SAC	Local Plans adequately incorporate cross-boundary issues and strategies; along with the sharing of evidence and joint commissioning where relevant The soundness of future Local Plans (both our own and that of our neighbours) will be robust on duty to cooperate grounds.	Ongoing
Monitoring of Pipeline and Buildout Rates	Continued work to improve monitoring through IT, automation, links to other systems	Housing starts and completions information will be updated more frequently and accurately, with less impact on officer time	Ongoing
Landowner Engagement	Use Agents Forum as means of communicating Call for Sites and long-term policy options	Ensuring the Call for Sites is publicised to agents will help to draw in more participants	Ongoing

Simplifying Conditions and Discharge	Review standardised conditions and explore how the discharge of conditions applications are to be phased	Conditions are effectively discharged (with PPAs for conditions in very complex cases) so that a faster start on site and thus delivery can be achieved	Late 2020
Digital Planning	Use of digital applications to support scheme assessment and community engagement	Community groups and Members can more clearly understand the key details and impacts of a scheme (particularly larger developments)	Late 2020 onwards
Ensuring skill transfer to the Council	The Council should ensure that skills are transferred from long-term development partners and other external consultancies, to the Council so that it is able to deliver more projects in- house in the future	Council officers will have greater skills and knowledge around the development process, with resultant benefits for council-led projects and for discussions with applicants and external stakeholders	2021 onwards
Utilising the Infrastructure Team	Ensure that when the Infrastructure Team is established, they are able to increase the council's income and delivery of infrastructure. To help improve this, the Council is engaging with consultants Inner Circle to establish an Infrastructure Team within the Planning Service, which will work across the organisation and with external stakeholders to help identify the need for, fund, monitor, and deliver infrastructure to support new and existing requirements. The initial planning for how this team will operate has already begun.	The infrastructure team is able to guide evidence commissioning, site allocation requirements, and infrastructure delivery at the corporate level	Late 2020
Exploring Options for the Redbridge CIL Review	Explore future options for the Redbridge CIL Review	A funding stream for infrastructure delivery is secured, whilst ensuring development is viable in	2020

		uncertain economic circumstances	
Capitalising on the arrival of Crossrail	Ensuring that when Crossrail does eventually arrive, that the borough's transport links are highlighted	locations for the delivery of	2021/22
Explore Further Funding Opportunities	Explore further funding opportunities for housing, regeneration, and infrastructure		Ongoing
New Local Plan	Continue preparatory work for a new Local Plan	The Council will be in a position to adopt a new Local Plan, in line with the London Plan and changing national requirements; in order to ensure it is able to effectively guide development and determine applications	New Local Plan adopted by 2025

Due to the number of smaller actions relating to small sites-, these -are further detailed below:

Small Site Actions	Description	Timescale
Explore implications of London Plan for small sites	Ensure that the London Plan approach to small sites is understood and its consequences for strategic planning and development management are clearly disseminated	Late 2020
Monitor implications of future planning reform for small sites	Ensure that the implications of future planning reforms within the Planning White Paper are understood, particularly in relation to design codes, zoning, and other measures that will potentially affect small sites	2021
Ensure Characterisation Study supports small site delivery	Ensure that the Characterisation Study can be used to guide small site delivery, specifically that it is fit for purpose with respect to the potential for change in different areas, what the limiting factors are, and how they may be mitigated.	2022
Explore best practice options for redevelopment of housing	Look at best practice options to ensure small site development on existing housing sites contribute to strategic housing requirements. This can include guidance from elsewhere such as the Croydon Suburban Design Guide, as well as how the principles of the Mayor's	2022

	Best Practice Guide to Estate Regeneration can be adapted for the context of different tenures	
Engage with the G320	G320 are a representative group for smaller housing associations in London (those with up to 1000 homes). Whilst many G320 members focus on other parts of London, some are London-wide and could potentially deliver affordable housing in Redbridge on small sites	Late 2020
Consider the use of Local Development Orders ¹⁴	Local Development Orders are a mechanism of granting planning permission to certain types of development in certain circumstances and/or locations, which may be subject to conditions and/or prior approval. In this respect they are like the General Permitted Development Order. A similar "Neighbourhood Development Order" exists, however this is a community-led process.	2022
Work with Neighbourhood Forums to identify additional development opportunities	The local knowledge of Neighbourhood Forums can be of particular use for identifying small sites. This is dependent on the capacity and progress of individual Forums and will require that Forums can be confident that policy and place management concerns can be addressed	2021 onwards
Work with other Council services on place management matters	Measures such as the introduction of controlled parking zones and reducing fly tipping, will help to increase the environmental capacity and public willingness of local areas to support residential development	Late 2020 onwards
Analysis of existing housing stock through Energy Performance Certificates	These certificates provide details including property type, floor area, and energy / insulation details for 75,000 dwellings, around ¾ of the borough's housing stock. This allows for the identification of areas with greater or lesser scope for the subdivision of existing properties, or those area where housing quality is of greatest concern.	Late 2020

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https://www.local.gov.uk/sites/default/files/documents/2018%20Case%20Study%20Rese arch%20on%20Local%20Development%20Orders.pdf

https://www.local.gov.uk/sites/default/files/documents/LDO%20Guidance%20Document %20March%202019.pdf

6 Implementation Monitoring and Review

6.1 Monitoring of the measures employed by the Council to stimulate housing delivery will continue to be assessed through the Local Authority Monitoring Report.

6.2 Other Council projects such as the Growth Commission will be used to help develop the implementation of the HDT Action Plan.