

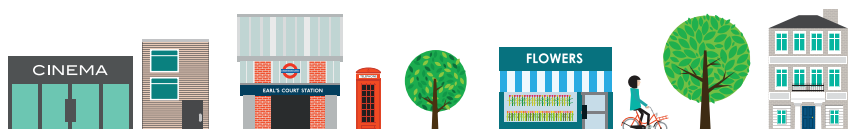
Earls Court Project

London Borough of Hammersmith & Fulham
Application 2

Housing Statement

Prepared for EC Properties Ltd
by Quod

June 2011



Application Document

Cover Letter
Planning Application Forms (including Notices and Certificates)
Planning Application Fee
Development Specification
Parameter Plans
Access Plans
Community Engagement Report
Design and Access Statement
Design Guidelines
Planning Statement
Environmental Statement, comprising:

- Non-Technical Summary
- Volume 1: Main Technical Chapters
- Volume 2: Townscape and Visual Impact Assessment (incorporating PPS5 Heritage Assessment)
- Volume 3: Technical Appendices

Transport Assessment
Retail and Leisure Assessment
Office Assessment
Housing Statement
Sustainability Strategy
Energy Strategy
Waste Strategy
Utilities and Services Infrastructure Strategy
Cultural Strategy
Estate Management Strategy
Conservation Area Consent Application Documents:

- Cover Letter
- Application Forms (including Notices and Certificates)
- Plans and Drawings
- Design and Access Statement
- Planning Statement
- Townscape and Visual Impact Assessment (incorporating PPS5 Heritage Assessment)

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1 Introduction

a) Purpose

- 1.1 This Housing Statement ('the Statement') has been prepared in support of applications ("Applications") for planning permission on behalf of EC Properties Ltd ('the Applicant') for the development of the Earls Court Site ('the Site'). The statement is submitted to London Borough of Hammersmith & Fulham (LBHF) and the Royal Borough of Kensington & Chelsea (RBKC) in support of applications 1 & 2.
- 1.2 The Statement sets out the context in which the application proposals come forward, explaining the residential component of the scheme with particular emphasis on the proposed affordable housing and how the Applications respond to the opportunity to regenerate the existing Gibbs Green and West Kensington Estates. It draws upon the research and analysis that has been undertaken in the lead up to the submission of the Applications, including pre-application discussions with officers at the London Borough of Hammersmith and Fulham (LBHF), Royal Borough of Kensington and Chelsea (RBKC) and the Greater London Authority (GLA).
- 1.3 This Statement should be read and considered alongside a number of other documents, including, but not limited to, the Development Specification, Planning Statement, Design and Access Statement and Environmental Statement. A full list of the application documents is set out in the Development Specification.

b) Structure

- 1.4 The Statement is structured to provide:
- An introduction to the site, including existing land uses and development
 - An outline of the proposed planning applications and development proposals
 - An overview of relevant national, regional and local planning policy
 - Discussion of the housing context, current and emerging, in which the proposals are coming forward
 - An overview of the housing proposals
 - Detail of the amount and type of affordable housing to be provided
 - Details of the offers made to existing residents in relation to the phased regeneration of the West Kensington and Gibbs Green housing estates
 - Conclusions

2 The Site and Principle of Residential Development

a) The Application Site(s)

2.1 The Site extends to a total area of approximately 32 hectares and is located in both the London Borough of Hammersmith and Fulham (LBHF) and Royal Borough of Kensington and Chelsea (RBKC).

b) Principle of Residential-led Development

2.2 The Site falls within, and comprises the majority of, the Earls Court & West Kensington Opportunity Area (ECWKOA), as designated in the Draft Replacement London Plan (DRLP). The ECWKOA is a centrally located, large strategic, accessible and underutilised area of London which offers the potential to deliver substantial land use change and mixed use development presenting a significant opportunity for regeneration in London potentially comprising estate renewal and a minimum of 4,000 homes and thousands of new jobs.

2.3 Residential uses form a significant component of the proposed development and are critical to realising the overall vision for the creation of a vibrant new urban area and a sustainable, inclusive and mixed community. The residential element is also key to scheme viability offering a unique opportunity to trigger the transition from backlands to one of London's sites with the greatest development potential. Regional and local policy relevant to the site supports residential-led development.

2.4 The DRLP places particular emphasis on the need for a comprehensive approach to regeneration of the ECWKOA incorporating the existing Earls Court exhibition centres, Lillie Bridge depot and West Kensington and Gibbs Green housing estates. The existing estates are recognised by LBHF, in their emerging Core Strategy and ECWKOA SPD, to exhibit disproportionately high socio economic problems and to require intervention and investment in the foreseeable future. The Planning Statement explains in more detail the principle of development and why the Site is suitable for high density mixed use regeneration.

2.5 The three main landowners (the Applicant, LBHF and TFL) signed a Collaboration Agreement to explore the potential for comprehensive development of their land in October 2009. This document includes a number of objectives for the development of the site. These are set out in full in the Design and Access Statement, two specifically relate to housing:

- To deliver a development that will create a ladder of opportunity in a mixed and sustainable, socially inclusive community containing a significant number of new high quality homes offering increased housing choice through new intermediate housing and a greater range of family housing and no reduction in the amount of social rented floorspace
- An exploration of a mechanism whereby LBHF can maintain an ongoing interest in the resultant affordable housing

c) Site Components

- 2.6 The Earls Court Site is diverse in its use, type and scale of buildings, streets and open spaces. The Earls Court Site currently contains the following uses:
- Earls Court Exhibition Centres One and Two: At the heart of the Earls Court Site are the Earls Court Exhibition buildings and accompanying lands. The Earls Court One building reaches 62.58m AOD. The Earls Court Two building reaches 42.60m AOD. Beneath the two exhibition centres run a number of train lines, including four District Lines, the Piccadilly Line, the West London Line, and the London Underground Limited (LUL) Lillie Bridge Depot and associated tracks
 - Empress State Building: Located to the west of Earls Court Two is the 33-storey (106.1m AOD) Empress State Building, currently occupied by the Metropolitan Police Service. The building is the tallest building within the immediate area
 - West Kensington & Gibbs Green Housing Estates: The western portion of the Earls Court Site is occupied by two LBHF council estates – West Kensington Estate (to the south) and the Gibbs Green Estate (to the north) – which are typically 1960s in their form and character. Though there are a few blocks of 9, 10 and 11 storeys present, the estate accommodation is primarily low and medium scale in height. Together the two housing estates provide 760 residential units. The West Kensington & Gibbs Green Housing Estates area also includes the Gibbs Green School, which was previously a primary school but is currently being used to temporarily house the Queensmill Special School
 - Lillie Bridge Depot: The TfL Lillie Bridge Depot comprises marshalling yards, engineering facilities, workshops and rail tracks, and is located in the central and northern portions of the Earls Court Site
 - An office building of 9 storeys can be found on the northern edge of the Lillie Bridge Depot (Ashfield House) and is used by TfL as a training facility
 - A bus turning and waiting facility on Lillie Road immediately adjacent to Earls Court Two and the Empress State Building
 - The Clear Channel buildings and hoardings plus laundry and mannequin making facilities located south of West Cromwell Road
- 2.7 Directly south of the Earls Court Site, but forming part of the ECWKO, is the Seagrave Road site. This site is also in the control of the Applicant and is the subject of a separate planning application which will enable the site to be developed for residential use. A separate housing document forms part of the application documentation for the Seagrave Road site.
- 2.8 Further details relating to the existing use of the Earls Court Site, the surrounding area, its accessibility and other details are set out in the Planning Statement, Development Statement and Design and Access Statement.

d) Existing Residential Development

2.9 Part of the existing floorspace within the Site comprises residential development, the majority of which forms the West Kensington and Gibbs Green Housing Estates. The existing Estates are located in the western portion of the Site and comprise 589 social rent homes and 171 privately owned (leasehold and freehold properties) previously acquired through Right to Buy. Of the existing social rent homes 531 are LBHF owned homes and 58 are RSL¹ owned homes. Together the existing residential floorspace is estimated to comprise approximately 55,100 m² NIA across a total of 760 homes estimated to have a population of 1,706 residents. An estimated 37,222 m² NIA of the existing floorspace comprises LBHF owned social rented homes. We understand that there are no intermediate tenure homes within the existing estates. Table 1 below provides an overview of the unit size mix by ownership/tenure.

Table 1: Existing Residential Units on Site

	Social Rent LBHF Owned	Social Rent RSL Owned	Leasehold/ Freehold	Total Existing Homes
1 Bed	163	7	21	191
2 Bed	212	19	85	316
3 Bed	121	25	52	198
4 Bed	35	7	13	55
Total	531	58	171	760

2.10 As outlined in the draft LBHF Core Strategy and draft ECWKOA SPD the existing estates have wide ranging problems. It is recognised by LBHF that these need to be addressed. These include:

- Disproportionately high socio economic problems particularly when compared to the ward in which they sit and the Borough, for example i) high unemployment (including long term unemployment), ii) high proportions of household on benefits (and for a sustained period of time), iii) poor health and iv) low levels of training and qualifications.
- Concentrations of poorer households
- Limited housing choice
- Limitations and inadequacies in terms of the design, for example i) inefficient layouts resulting in under-utilised space, ii) poor integration with surrounding areas, iii) security concerns due to their layout and resulting pedestrian environment and iv) sub-standard size of homes (c. 100 homes fall below present internal space standards)
- Inefficient use of the existing stock with evidence of under occupation and overcrowding, for example c. 16% of homes are estimated to be over crowded

¹ Family Mosaic owns 42 homes in Dieppe Close, Lerry Close and Thaxton Road. London and Quadrant own 9 homes in Aisgill Avenue and Marchbank Road. Shepherds Bush Housing Association own 7 homes in Garsdade Terrace.

- 2.11 Even if the significant investment likely to be needed was available it is unlikely due to the nature and extent of the problems that they could be addressed through small scale intervention or remodeling of the existing estates. The potential for the existing estates to be integrated into comprehensive redevelopment provides a unique opportunity which is identified in policy as worthy of exploration and forms the basis of discussions between the main landowners. The strategic policy direction for ECWKOA described in the London Plan highlights the potential for and possible benefits from estate regeneration. The ECWKOA is one of London's priority sites for regeneration and growth. Critical to unlocking its full potential is the inclusion of the existing estates which also presents the prospect to address the problems being faced within these areas as part of a comprehensive regeneration-led solution.
- 2.12 Alongside the unique nature of the opportunity in terms of delivering regeneration and growth of significant scale within Central/West London the Applications will also provide existing residents with certainty over the future of the homes in which they live as well as substantial improvement to their local environment. The opportunity to provide certainty in an era of public spending cuts is a significant benefit. Section 8 of this Statement outlines the guarantees able to be made to existing residents and summarises the offers that have been put forward to existing tenants and freeholders/leaseholders.
- 2.13 Throughout the evolution of the development proposals there has been significant ongoing engagement with the existing community both by the Applicant and LBHF regarding the provision to new homes. Further information on the engagement process is set out in the Community Engagement Report.

3 The Planning Applications and Development Proposals

3.1 This Statement relates specifically to the housing elements of the proposed development and supports the two planning applications (referred to as 'Application 1' and 'Application 2') for the Earls Court Site:

- Planning Application 1 relates only to land within RBKC and seeks permission for a maximum quantum of residential floorspace of 143,503 m² GEA residential floorspace, this could accommodate up to 1,016 homes depending on the precise unit size mix

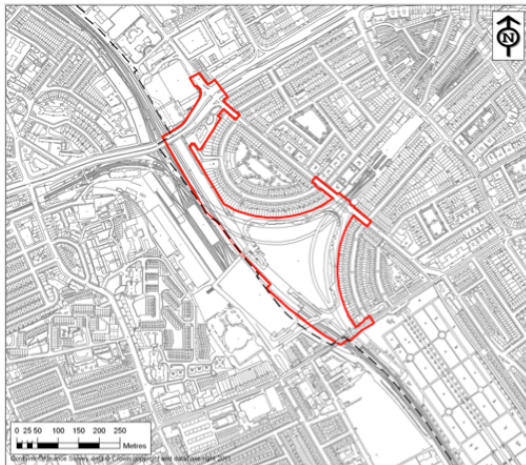


Figure 1 Planning Application 1 Red Line Boundary

- Planning Application 2 relates almost entirely to land within LBHF, but also includes a small area of land within RBKC. Permission is sought for a maximum quantum of residential floorspace of 613,944 sqm (GEA) distributed across development plots which could accommodate 5,759 units depending on the precise mix of unit sizes. Of this, 602,175 sqm / 5,647 units would be within LBHF and 11,769 sqm / 112 units would be within RBKC

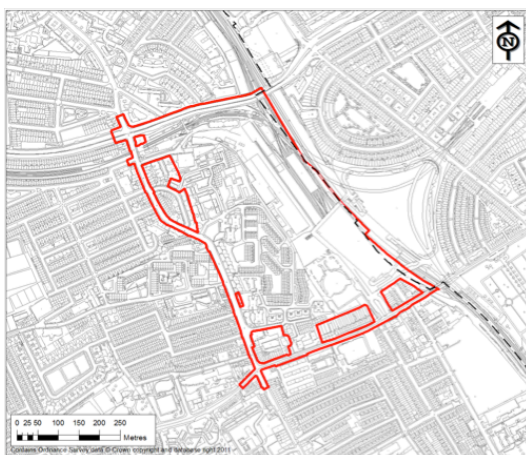


Figure 2 Planning Application 2 Red Line Boundary

- 3.2 The Development Specification explains the content of the applications in more detail and includes the red line boundary plans.
- 3.3 The intention is to fully implement both planning applications for the Earls Court Site and these applications provide the opportunity for two Development Options:
- Site Wide Development Option: This option relates to the whole of the Earls Court Site. It results from the combination of Planning Applications 1 and 2 and provides a maximum of 6,775 residential units along with office, leisure, retail, cultural and community uses
 - RBKC Only Development Option: This option relates to the scheme proposals within RBKC. It comprises the implementation of Planning Application 1 only and provides a maximum of 1,016 residential units and a number of other uses
- 3.4 This Housing Statement assesses the application proposals for both of these Development Options. This document does not consider the potential for delivery of Planning Application 2 only as this is not considered to be feasible – this is further addressed in the Development Specification.
- 3.5 A detailed description of the proposed development for each planning application, including maximum floorspace figures for each category of land use proposed and the total development floorspace for which planning permission is sought for each Development Plot, is included in the Development Specification.
- 3.6 Together the two planning applications provide a comprehensive response to the significant regeneration opportunity, with Application 2 also including the re-provision of the existing Gibbs Green and West Kensington estates.

4 Planning Policy Context

4.1 This section of the Statement sets out the policy expectations and aspirations for the application Sites and draws conclusions about what this means for the housing delivery in respect of the redevelopment of Earls Court to best achieve the policy objectives. It is important to note that the national planning policy context for housing delivery is currently in a state of flux with Government seeking to 're-boot' the planning system so that it can play its role in delivering the vital economic growth nationally. This 'agenda for growth' pervades all levels of new policy discussion at a national level and will inevitably affect planning decisions as Government seeks to redress the decline in new housing starts.

4.2 This new approach to planning policy coincides with a time where planning gain is facing considerable challenges due to budget constraint which has led to a significant restriction in grant funding for the delivery of affordable housing. This alongside on-going pressure on development viability in light of market conditions requires considerable additional flexibility and innovation in delivery if the desired outcomes of policy are to be achieved.

a) A Policy Framework to Deliver Housing Growth

4.3 The focus on increased housing delivery has been a long standing feature of National Policy. Planning Policy Statement 3 (PPS3) was developed as a direct response to the Barker Review on Housing Supply (2004) which sought to better understand the reasons as to why new housing delivery was falling behind demand. Key conclusions focused on achieving improvements in housing affordability in the market sector, securing a more stable housing market, locating housing supply in areas which support patterns of economic development and providing an adequate supply of publicly-funded housing for those who need it.

4.4 PPS3 responded to 'challenge' and sought to achieve a 'step change in housing delivery' with a view to widening housing choice, increasing opportunities for home ownership, improving affordability through increased supply and creating mixed and sustainable communities.

4.5 The focus of PPS3 is on the planning system delivering these outcomes (PPS 3 paragraph 11) but it ensures that in seeking these, Councils evidence their plans on the basis of a clear understanding of both need and demand through a strategic housing market assessment (PPS3 Paragraph 11). They must also have careful regard for development viability to ensure that the dual issues of risks to delivery and levels of available grant for affordable housing are properly considered in policy making (PPS3 paragraph 29). PPS3 has failed to deliver the step change necessary in housing delivery but the importance of a significant increase in housing remains reinforced by the findings of the National Housing and Planning Advice Unit (NHPAU) which identified that improved affordability in the housing market required a very significant increase in the supply of new housing (as initially considered within 'Affordability Matters' June 2007).

4.6 It is against this context that the London plan was revised, encapsulated in the consolidated London Plan published in February 2008. This sought the delivery of a minimum of 30,500 new homes per annum across the capital (Policy 3A.2) in order to respond to the scale of pressure from population growth whilst delivering against the strategic objective of creating sustainable and mixed communities (Paragraph 3.41). In 2009 the London Plan was extensively revised

(RDLP) and this was presented for public examination during 2010. The submission version included a range of amendments including changes to the spatial distribution of development on the basis of revised site supply data and revisions to the approach to affordable housing (which are considered in more detail later within this chapter). However, the tenet of the Plan remained consistent, namely to deliver increased housing numbers but with added emphasis on delivering flexible planning outcomes which aid economic growth, given the importance of this to the well-being of the capital. The Mayor of London reflected this in his opening to the Examination in Public (EiP), saying;

“We have to make sure there are enough homes suitable for the needs of a growing and changing population”

4.7 *The EiP Panel Report of the RDLP was issued in May 2011 and provides additional emphasis on the need to achieve growth through the delivery of new homes and a particular emphasis on Opportunity Areas. The panel note ‘For our part, we consider that the SHMA 34,900 pa requirement must be regarded as very much a minimum figure for a number of reasons’ (paragraph 3.24, EiP Panel Report), it continued by introducing amendments to the housing supply numbers by proposing a range between 34,900-37,400 homes per annum. The importance of achieving growth is clear in the EiP Panel Report:*

“The conclusion that London should plan for an expectation of long term trend growth resuming and London meeting at least as great a proportion of that growth as over recent pre-recessionary years appears an entirely reasonable one. Failure to plan on this basis would seem inevitably to mean that environmental and social objectives would be at risk if such growth does materialise without being planned for and there might also be economic detriment if sufficient flexibility to accommodate growth is not provided.” (paragraph 1.5, EiP Panel Report)

4.8 The RDLP is expected to be adopted during 2011.

4.9 Against this existing policy basis the Government has introduced the Localism Bill which, among other things, seeks to simplify the existing planning system through a series of reforms intended to provide greater flexibility and direction at local level. These reforms will be set within a new National Planning Policy Framework (NPPF) which will ultimately replace the existing planning guidance in the form of the Planning Policy Statements. Of critical importance is the emerging, and increasingly important theme for this NPPF being the ‘agenda for growth’ or the increased emphasis on the recognition that housing delivery provides invaluable support to deliver the vital economic growth. Greg Clark, the Minister for Decentralisation, identified his intentions for the NPPF in his speech to parliament on the 23 March 2011. In this he stated:

“The Government’s top priority in reforming the planning system is to promote sustainable economic growth and jobs.... When deciding whether to grant planning permission, local planning authorities should support enterprise and facilitate housing, economic and other forms of sustainable development. Where relevant - and consistent with their statutory obligations - they should therefore:

(i) consider fully the importance of national planning policies aimed at fostering economic growth and employment, given the need to ensure a return to robust growth after the recent recession

(ii) take into account the need to maintain a flexible and responsive supply of land for key sectors, including housing

(iii) consider the range of likely economic, environmental and social benefits of proposals; including long term or indirect benefits such as increased consumer choice, more viable communities and more robust local economies (which may, where relevant, include matters such as job creation and business productivity)

(iv) be sensitive to the fact that local economies are subject to change and so take a positive approach to development where new economic data suggest that prior assessments of needs are no longer up-to-date

(v) ensure that they do not impose unnecessary burdens on development.”

4.10 This represents a further strengthening of the linkage between housing provision and economic growth and emphasises the close regard that Councils, and specifically planning authorities, should have to the Government aims for the emerging planning framework when both developing policy and determining planning applications. In light of the on-going shortfall of new housing provision it is reasonable to suggest that the presumption in favor of new (sustainable) development, first advocated by Greg Clark, will continue to gather momentum as the NPPF advances during 2011.

4.11 The recent publication of the Practitioners Advisory Panel draft of the NPPF confirms this by stating:

“At the heart of the planning system is a presumption in favour of sustainable development, which should be seen as a golden thread running through both plan making and decision taking”

4.12 Whilst the Government will be consulting on their own approach to the NPPF the presumption in favour of sustainable development², and the imperative for new housing numbers to help drive prosperity and economic growth will be key components which will be promoted by Government. This drive for growth will challenge the existing delivery mechanisms for affordable housing particularly in light of the grant funding constraint arising from the budget, coupled with the

² Defined by the Brundtland Commission, *Our Common Future*, 1987 as being ‘development that meets the needs of the present without compromising the ability of future generations to meet their own needs’

wider financial pressures which remain a feature of development viability. Given the location of the Earls Court Site, in West London, this provides essential context when assessing the Application proposals against the policy framework.

b) Regional and Local Planning Policy for Affordable Housing

- 4.13 The adopted London Plan (2008) (LP) requires Boroughs to set targets with regard to the London wide 50% affordable housing delivery target alongside the objective of securing a 70:30 tenure split between social rented and intermediate provision across new affordable housing.
- 4.14 Specifically policy 3A.10 in relation to negotiating affordable housing in individual private residential and mixed-use schemes states:
- “Boroughs should seek the maximum reasonable amount of affordable housing when negotiating on individual private residential and mixed-use schemes, having regard to their affordable housing targets adopted in line with Policy 3A.9, the need to encourage rather than restrain residential development and the individual circumstances of the site. Targets should be applied flexibly, taking account of individual site costs, the availability of public subsidy and other scheme requirements.”*
- 4.15 This is supplemented by the London Housing SPG (adopted in 2005) (SPG) which explains the flexibility which is allowed for in respect of the split of affordable housing tenures noting that the balance which needs to be made in considering affordable housing provision alongside other planning benefits provided by a project particularly in the context of scheme viability (paragraph 18.12). Paragraph 18.17 revisits the issue of the priority afforded to family housing provision and proposes that a schemes inability to deliver this type of housing may be a justification for pursuing an ‘offsite’ solution for affordable housing.
- 4.16 The London Plan considers affordability of new (affordable) accommodation at paragraph 3.37 by setting ‘the range’ for incomes of those in the intermediate sector. These are further considered within the SPG and have been updated annually through the monitoring report. The GLA considers homes accessible to households to earning up to £61,400 (£74,000 for families) to be affordable, to be updated annually.
- 4.17 The provisions of the adopted Plan have been in part substantially amended in the RDLP. The RDLP requires affordable housing provision to be considered on a site by site basis having regard to site specific circumstances including the need to encourage rather than restrain development (policy 3.3), promotion of mixed and balanced communities (policy 3.10), the specific constraints of individual sites, development viability and the availability of public subsidy. As set out previously the emphasis on flexibility of delivery having regard to a range of factors remains a key part of the housing delivery chapter.
- 4.18 The RDLP also deals with the provision of affordable housing numbers in a different way to the adopted plan. The basis of the 50% target has been replaced with a numerical target of

13,200 homes per annum or 40% of the total annual target of 33,400 new homes (which itself represents an increase of 9.5% over the adopted plan). The Panel report has recommended changes which propose the introduction of a range of housing delivery numbers alongside reinstatement of the 50% affordable housing target on sites but it is not yet clear how the GLA will approach this recommended alteration ahead of submission to the Secretary of State.

- 4.19 The Panel supports the move to a target of 60% social rent and 40% intermediate London-wide but identified the following key points at paragraph 3.156 in respect of their view on the delivery of intermediate housing and the relevance of this in terms of the availability of funding:

“Importantly, maximising the “pool” of affordable homes through expanding the scope of the intermediate sector, for family homes or others, is likely to be of much increased importance in a climate of reduced public subsidy. Fears that the available pot of public or private funding for such products will in consequence be spread too thinly is not one that in our estimation should be addressed by restricting either the overall extent of the pool or (in response to those arguing for social rented and market housing only) the range of specific types of affordable housing that policy provides for. Rather, it should be addressed by the opposite approach of designing the broadest possible range of intermediate housing products (alongside social rented provision) supported by a correspondingly wide and diverse pattern of funding mechanism.”

- 4.20 It continues by recommending additional text be inserted into the revised Plan (Panel Recommendation 3.21) as follows:

“Increased provision of intermediate housing is one of the ways in which the supply of affordable housing can be expanded. The Mayor will work with the Boroughs and other delivery and funding agencies to develop understanding and provision of a range of relevant products, and the priority will be to assist those most in need, including families, to gain access to better housing...”

- 4.21 The issue of affordability and targeting of intermediate accommodation to incomes was considered at length within the RDLP panel report (paragraphs 3.154 – 3.160). The emphasis of this suggested that the price of intermediate accommodation should be considered in light of the locally occurring market conditions which relate to the site rather than being solely directed by the income thresholds. On this basis these incomes become a secondary ‘benchmark’ particularly for strategic sites. This slightly altered approach may alter the course the RDLP takes prior to submission for Secretary of State approval and subsequent adoption by the GLA. However, the principle that intermediate accommodation must be affordable in the context of the local market prevails.

- 4.22 The RDLP proposes a mechanism at paragraph 3.68 to secure an adjusted approach to affordable housing where obligations are ‘deferred’ on the basis that the financial capacity of the scheme to support additional delivery of affordable housing could have improved by the time that the scheme is delivered (i.e. after the deferral). This is not a feature of the adopted

LP nor is it a specific element of existing guidance at a national level and these issues remain materially important.

- 4.23 The principle however, of improving development viability is of increased relevance where a multi-phased development is being considered particularly where these phases are occurring over a long period of time. This issue was specifically raised in the RDLP Panel report at paragraph 3.72 which states:

“This would add a glossary definition which makes clear that such obligations are directed at cases where development is likely to spread over many years (as may be the case in some Opportunity Areas, for example), during which the viability of affordable housing provision may vary upwards or downwards. The scale of the projects thus involved would, it seems to us, lend a strategic dimension to the subject and signal that such obligations would apply in “exceptional” circumstances rather than more routinely in small scale schemes. In particular, we observe that the obligations process is one that relies on a Unilateral Undertaking proffered by the developer concerned, or an Agreement with the developer, and cannot therefore simply be “imposed” either by the Mayor or individual Boroughs. In effect they offer a reciprocal guarantee to developers and communities alike that affordable housing provision will be neither diminished nor excessively demanded but optimised having regard to viability at the time of construction rather than permission.” (our emphasis)

- 4.24 This provides some relevant consideration of the issue and confirms the basis of such obligations being imposed. There are a number of different ways that the ‘reciprocal guarantee to developers’ can be considered in the context of ongoing development viability and these will need to be considered in the context of the draft policy of the RDLP.

- 4.25 The consistent themes within London Plan policy are to provide a flexible environment which promotes improvements in housing choice across the capital as well as exploring and delivering opportunities for home ownership whilst meeting evidenced housing need.

- 4.26 The importance of addressing renewal of existing estates is recognised by the present Mayor, but has been a longstanding objective. Key principles include:

- Re-provision of existing affordable housing to ensure there is no net loss of equivalent floorspace and replacement by better quality homes (former affordable homes subject to Right to Buy are to be classified as market provision)
- To achieve 100% replacement of demolished social rented units it is recognised that the net gain in total provision need not achieve the usual proportion of affordable housing
- The DRLP recognises the potential of the planning system to balance the mono-tenure characteristics of some existing estates by increasing levels of market and intermediate housing (para 3.53) with social housing being encouraged where it is under represented

- 4.27 Both the LBHF and RBKC have recently advanced Core Strategies through Examinations in Public. RBKC have adopted their Core Strategy. In LBHF, the Inspector's Report is due to be published in July 2011. Stimulating growth and regeneration are both key 'vision' elements of the adopted RBKC and draft LBHF strategies. Both strategies (RBKC at 3.1.6 & CV1 and LBHF at 5.2 & 5.10) are seeking a broadening of housing tenure to improve choice and opportunity to households whilst seeking mixed and sustainable communities.
- 4.28 The strategies together plan for housing growth in the context of the DRLP with RBKC providing a hybrid solution which provides for an increase in homes to accommodate the expected changes in Borough targets between the adopted LP and the RDLP. In the context of the ECWKOA RBKC promotes a minimum of 500 new homes and LBHF promotes an indicative minimum 2,900 new homes (excluding the Gibbs Green and West Kensington Estates). Both will, on this basis, contribute towards supporting economic growth and the wider growth agenda of the emerging Government, expected within the NPPF.
- 4.29 In terms of the delivery of housing and particularly affordable housing the strategies follow slightly different approaches.
- 4.30 RBKC seeks (policy CH2) the delivery of 50% affordable housing by floorspace however paragraph 35.3.21 accepts that this target should be applied flexibly subject to demonstrating scheme viability and also taking into account individual site constraints, availability of public subsidy, other scheme requirements and to include a statement demonstrating the exceptional site circumstances or the weight attached to other scheme benefits. The tenure mix of affordable housing, in the context of Earls Court, is described (policy CH2q) as being a minimum of 15% intermediate dwellings with the balance as social rented.
- 4.31 The Government has, since the adoption of the RBKC core strategy, consulted on a revised form of affordable housing called Affordable Rent (further discussed in section 5). This is envisaged as replacing the delivery of social rented accommodation unless the development proposal involves an element of stock replacement. RBKC have broadly accepted the principle of Affordable Rented Accommodation (in a paper to their Housing and Property Scrutiny Committee dated 20 January) and subject to review of outturn affordability in the context of Local Housing Allowances Affordable Rent is expected to replace the role of social rented accommodation within policy CH2.
- 4.32 Affordability of new affordable housing is considered by the adopted core strategy at Policy CH2r which provides a link to the principle of intermediate housing being delivered at the 'usefully affordable point'. This derives from the findings of the Strategic Housing Market Assessment which identifies the challenges of delivering affordable housing in a high value Borough (section 3 SHMA). The concept of 'usefully affordable' originates as a modelling scenario from within the SHMA which defines a 'typical' intermediate property priced at the midpoint between market accommodation and existing social rented accommodation. It is therefore identifying the guide capacity of households to afford this intermediate accommodation rather than suggesting, as paragraph 35.3.14 of the CS does, that all intermediate accommodation should be delivered at this level. The overall accessibility of any proposed intermediate stock should be carefully considered to ensure that the intermediate housing solutions promoted offer genuine choice and options to the target households. Innovation in this sector is key to meeting this challenging

objective and this is recognised in the RBKC CS at paragraph 35.3.15 which acknowledges the range of intermediate housing solutions which may need to be deployed.

- 4.33 Off-site delivery of affordable housing will be considered on a site by site basis with the merits in terms of their suitability for the delivery of affordable housing being carefully balanced as directed by paragraph 35.3.16 of the adopted Core Strategy.
- 4.34 LBHF core strategy remains in draft form ahead of its adoption which is anticipated later this year. The stated key aim of the CS is to reduce social and economic polarisation in the Borough and to encourage social mobility.
- 4.35 Within the CS (section 4) considerable emphasis is placed on encouraging estate renewal in order to tackle areas of measured deprivation and polarisation between different parts of the Borough and the need to promote regeneration and renewal are key strategic visions and aims of the CS. The council is seeking to act on deprivation and polarisation by providing improved housing choice, opportunity and quality to households. These are key themes which are reflected in the specific policy responses set out by the CS. The guarantees being made by LBHF to the existing residents who may be involved in the estate renewal programme are set out in Section 8 of this Statement.
- 4.36 Policy H2 sets out the headline Borough wide target of 40% affordable housing within policy H2. The Strategic Policy for Housing Area 1 (the ECWKOAA) repeats this target proportion and seeks that new housing is distributed across the opportunity area, in a mix of tenures, dwelling sizes and types including family accommodation which together produce a mixed and balanced community.
- 4.37 Policy H2 of the LBHF CS identifies that in determining the appropriate level of affordable housing the Council will have regard to a range of site specific circumstances including site size and constraints, viability (with regard to the availability of public funding and the need to encourage rather than restrain development), the affordability and profile of local housing (including existing concentrations of social rented accommodation) and the need to deliver mixed and balanced communities.
- 4.38 Paragraph 2.9 of the LBHF CS identifies the income range of households unable to afford market accommodation as being between £19,900 and £79,400 per annum. This broadly correlates with the current direction of the RDLP as set out above.
- 4.39 A number of modifications have been proposed to the CS submission version following the Examination in Public hearings. In respect of affordable housing these identify that it can either be delivered as intermediate or the new affordable rented tenure. New social rented accommodation would only be considered suitable in specific circumstances associated with regeneration and re-provision of existing (social rented) accommodation as part of replacement programmes.
- 4.40 Paragraph 9.22 acknowledges the tension between falling public subsidy and development viability by directing that in considering the delivery and tenure of affordable housing, innovation and flexibility will be key in seeking to secure the targets of policy H2.

- 4.41 Wider provisions of the two strategies include the targeting of lifetime homes, wheelchair accessibility and units mixes to have regard to local need (RBKC policy CH2 and LBHF policy H2 and H4).
- 4.42 A joint SPD is being advanced to provide further guidance in respect of the Earls Court and West Kensington Opportunity Area. This draft document has been subject to an initial round of consultation with a further iteration of the document being programmed for further consultation later in 2011.
- 4.43 The Housing Strategy section of the document sets out 15 key principles for the residential component of the scheme to target, these include aligning the provision of decant properties with the profile of existing residents, phasing, affordable housing delivery, housing mix, quality and amenity. These provisions reflect the respective adopted and emerging plan policies of RBKC and LBHF.
- 4.44 The SPD identifies the Opportunity Areas as presenting:
“An opportunity to build a substantial quantity of new housing, providing for a mixed, balanced and diverse neighbourhood.”
- 4.45 Which seeks to deliver the following key outputs:
“Development in the area should help reduce social and economic polarisation and encourage social mobility. There should be new high quality housing for sale and rent at a range of prices and affordability, that will provide a local ladder of affordable housing opportunity, as well as helping to meet the general need for more homes as supported by the draft replacement London Plan (2010).”
- 4.46 The potential for estate regeneration is reiterated, consistent with the CS, key principles include:
- The need to consider how proposals will address existing problems within the estates
 - Commitment to a process which ensures new provision will meet needs
 - No net loss in existing social rented floorspace
 - A decant process which minimises disruption to existing residents
- 4.47 The London Plan policy framework and the local policy contexts of both RBKC and LBHF all seek to deliver new housing to assist growth and in so doing assist in delivering the vital economic growth within London. The emphasis is on seeking a balance of outcomes with affordable housing delivery needing to maintain flexibility to reflect not only the viability considerations of development sites but having due regard for the range of wider outcomes which schemes will deliver.

c) Housing Delivery in Practice

- 4.48 The adopted and emerging policy positions seek to balance the need for affordable housing with development viability and the delivery of wider scheme outcomes for developments including securing regeneration and area improvements.
- 4.49 The constraint on public subsidy and the on-going viability pressure bring this balance of outcomes into sharp focus with this being further emphasised by the emerging overarching direction of Government to both target economic growth and meet the range of 'demand and need' for new homes through increased housing delivery.
- 4.50 The emphasis within Government has therefore shifted with the 'Growth Agenda' increasing the emphasis and re-establishing the need for both market and affordable homes. This accords with the direction of the NHAPU findings which helped direct the London plan (see Revised London Plan Paragraph 3.15, 3.16) that new supply delivers a range of benefits including improved affordability.
- 4.51 It is within this context that the adopted and draft policy position of the London Plan and RBKC and LBHF's core strategies should be considered. Whilst the respective plans target the provision of new homes they also seek a significant proportion of mixed tenure affordable accommodation which presents a considerable challenge both in terms of viability and balancing this against wider scheme outcomes.
- 4.52 The Panel report for the London Plan considered the role of intermediate accommodation at length and articulated this tension by suggesting additional wording to the plan (Panel report at paragraph 3.156 and 3.160).
- 4.53 The degree of flexibility across the 'policy framework' at Regional and Local level and how this is applied is an important element in advancing the residential offer at Earls Court.
- 4.54 It is evident that the combination of pressure on development viability and constraint in government subsidy are creating an environment where flexibility and innovation must be considered together to optimise affordable housing outcomes from the planning system. The policy context of both LBHF and RBKC allow for this flexibility both in respect of quantum of affordable housing (with regard to development viability and other scheme specific issues) and for the tenure of provision to be structured in a manner considered 'appropriate' by the Panel report into the Draft Revised London Plan.

d) Summary

- 4.55 There is strong policy support for growth nationally and specifically for residential led development of this site regionally and locally along with flexibility to enable scheme specific circumstances to be taken into account in the application of affordable housing policy.

5 Housing Context

5.1 Policy provides support for a significant increase in the delivery of housing within the ECKWOA responding to the evidence of a significant shortage of housing supply in West London resulting in this part of London being promoted as a key growth area for both homes and jobs. In addition to the policy support which exists for the comprehensive redevelopment of Earls Court its location and local issues associated with housing supply and its affordability give further impetus to scheme proposals. This section of the Statement considers, in addition to planning policy, the wider issues which influence the amount and type of housing to be delivered at Earls Court.

a) Housing Supply

5.2 The Government recognises that housing supply is not keeping pace with demand and plans to alleviate the constraints on supply by reducing unnecessary regulation, streamlining the planning system and introducing the New Homes Bonus in order to stimulate the provision of new housing.

5.3 Coupled with spiraling household formation projections, under-supply of housing has wide reaching effects on the housing market, resulting in highly constrained affordability for a large proportion of the population, increased demand on affordable housing resources as market housing prices rise and enforced out-migration from urban centers.

5.4 London is projected to be facing significant household growth to 2031 and associated with this is a significant need for new housing provision. Historically housing delivery in London has fallen short of the level now proposed by the London Plan and critically there is a deficit of housing supply in West London where there is high demand. ECWKOA is well placed to accommodate growth as it has been identified as a location where population projections indicated significant growth and the scale of opportunity that this area offers enables that growth to be accommodated.

5.5 With increasing pressure on both ends of the housing affordability spectrum, this has led to a considerable amount of households being categorised as in 'intermediate housing need'. In broad terms this means that they have an income that is sufficient to make them ineligible for social rented housing, however are unable to afford to meet their housing need in the market. Many of these households are forced to remain in their existing situation – which varies from remaining living with family, being stuck in a temporary accommodation solution which may include rented property rather than owner occupied or in some cases being stuck in social rented accommodation with the aspiration to buy but unable to access the cheapest market purchase solution. The overall effect of this sector expanding is a degree of stagnation in the housing market, with people unable to move or unable to afford to move into appropriate housing.

5.6 The existing housing offer within the area in which the Earls Court Site is located is very limited and households on moderate incomes have very few appropriate long term housing solutions available to them. It is in response to this that LBHF specifically has identified the need to create a ladder of choice and that within the ECWKOA it is wholly appropriate for the amount of social rent housing to be retained at current levels and all new affordable housing to be provided as intermediate tenures.

b) Funding of Affordable Housing

- 5.7 The Coalition Government has recognised that the previous system of grant funding the delivery of affordable housing is not the way that they want to encourage supply into the future. It will continue to invest in affordable housing through the provision of Social Housing Grant, but this is at levels that are significantly lower than provided by the previous administration. Therefore, it needs the public money provided to work much harder towards the provision of affordable housing. In order to facilitate this, the Government is giving Affordable Housing Providers greater flexibilities in delivering affordable housing by changing the rent charging regime, allowing flexibility on the use of existing assets and reforming tenancy terms.
- 5.8 As a result of funding reforms there is now very limited availability of grant funding for the provision of new affordable homes. Alongside this a new tenure type called 'affordable rent' has been introduced. The differences between social rent and affordable rent is primarily that the rent charging structure will change and rents will no longer be artificially held at very low levels as they were with the social rented tenure and that new tenancies will no longer be issued for life. This combination of changes will result in higher asset valuations and resultant increased borrowing capacity for Affordable Housing Providers. It is proposed that this increase in borrowing capacity should then support the provision of new affordable housing, making up some of the shortfall left by the removal of social housing grant funding.
- 5.9 The Government anticipates providing the framework that will allow freedom of choice and the establishment of suitable individual funding strategies to support residential development in the volumes that it is promoting. Responsibility for effective delivery is then being handed back to each individual local authority. It is therefore incumbent upon local councils to develop innovative funding strategies for housing delivery that address local priorities in tandem with the wider national remit of delivering an increased supply of housing opportunities that support the agenda for growth.
- 5.10 In balancing affordable housing priorities locally, the significant loss in future grant funding will have a considerable impact upon what developers of affordable housing will be able to afford to provide. RSLs are having to create new business plans to sweat their assets harder, so that more revenue can be generated from existing and future affordable housing, so that less subsidy is required per unit than previously. This will directly impact the amount of affordable housing able to be secured through Section 106 Agreements as significant funding previously available to supplement developer subsidy has been withdrawn which in turn is impacting the affordable housing values and overall scheme viability. In determining planning applications difficult decisions are required to be made as to whether in assessing whether subsidy should be targeted towards making fewer homes affordable to households on lower incomes, or whether to spread the subsidy more thinly, supporting the development of a higher quantum of affordable housing, but at a higher cost to the end user.

5.11 The recent report of the DRLP EiP Panel picks up on the tension between the reduction in public subsidy and the impact that this will have on the delivery of housing in London. The Panel conclude that the solution is not to resort to delivery of market and social rented housing but instead promote 'the opposite approach of designing the broadest possible range of intermediate housing products' (para 3.156).

c) Summary

5.12 Affordable housing is a concept that is perpetually changing. 'Affordability' is measured in many varied ways and the national definition within PPS3 is currently out to consultation to change the tenure options that are included within the definition. Throughout the delivery of the scheme there will be ongoing changes to affordable housing, like those currently being progressed by the Government to tenure, tenancy terms and rent charging regimes, meaning its nature and value will be subject to ongoing change. It is imperative that the housing proposals which are made for large strategic schemes provide certainty for developers in terms of the overall affordable housing contribution, but at the same time within this contribution allow for flexibility to respond to new forms of affordable housing. The new policy regime places greater emphasis on delivery of affordable housing outcomes and with this the emphasis should be on finding efficient and effective solutions appropriate for households on a range of incomes.

5.13 There is no single solution that will be appropriate to all local authorities as all have their own particular housing need issues and local market contexts to contend with, however the Homes and Community Agency (HCA) is currently working with providers and local authorities to establish Local Investment Plans that will highlight local priorities and begin to set a framework for subsidy priorities in the local area.

5.14 Development at Earls Court will provide an opportunity to set the tone of innovative housing delivery in the local housing market area. Earls Court could kick start the potential for local recycling of subsidy from affordable housing into affordable housing enabling the targeting of subsidy towards the perpetually evolving highest housing priorities in the borough and demonstrating that the national policy of delivering more for the subsidy available is a realistic prospect. It is important that any proposal for the Earls Court Site is able to respond not just to the current changes but is also sufficiently flexible to be able to respond to future changes.

5.15 As set out in the previous section LBHF affordable housing target is for 40% of additional dwellings to be affordable with all new affordable homes comprising intermediate tenures. The emphasis on intermediate tenure responds to the very limited intermediate housing stock (less than 2% of the housing stock) along with a declining owner occupier stock (now 35% compared to 44% in 2001) and the significant social rented stock (35% of the existing stock). It is against this background that the Council have evidenced that need for all new affordable housing to be provided is as intermediate tenures. RBKC has its own limitations within its borough boundary when it comes to delivering affordable intermediate housing. The Earls Court site offers an opportunity to look beyond authority boundaries and to deliver real opportunities to enable affordable home ownership where the market is not able alone to deliver.

- 5.16 Increased provision of intermediate accommodation will offer the potential to significantly increase housing choice. The provision of intermediate sales and rental products gives options to households who need to move house to respond to a change in circumstances and therefore enables more fluidity in the housing market, with more incentives to progress through the housing spectrum up to owner occupation. The creation of a strong, diverse intermediate market in a local area could be key to allowing people to remain within a certain area, close to established links with family, community or employment whilst being able to fulfill their housing need with an affordable and appropriate home.

6 Housing Proposals

6.1 The development proposals for the Earls Court Site are residential led. The Site is one of London's most important development opportunities consistent with the objectives for the Opportunity Area the residential proposals provide a basis for improving the amount, quality and type of housing available whilst widening housing choice within the ECWKO. The principle of development and regeneration of the site is addressed briefly in section 2 of this Statement but set out in more detail in the Planning Statement.

6.2 This section of the Statement brings together the key factors that have been considered in determining the amount and type of housing, including how to incorporate the existing estates and provision of new affordable housing. It goes on to introduce the overall housing proposals in terms of the quantum, mix, phasing, design and parking.

a) Priorities and Scheme Specific Considerations

6.3 There are a number of competing scheme and planning objectives which have sought to be reconciled, whilst always seeking to ensure a deliverable and sustainable solution of optimised housing growth within this key site in West London.

6.4 For both Development Options priorities that the proposals respond to include:

- The need to facilitate growth and to encourage not restrain the delivery of housing, critical in West London where there is a significant mismatch between housing demand and supply and where affordability levels present a real challenge to realising the aspiration to be a home owner
- An opportunity to create a housing offer that provides increased housing choice specifically through provision of flexible and innovative intermediate tenures
- Providing a mix of types, tenures and sizes of homes within a neighborhood environment where people choose to live, where different tenures blend seamlessly and avoid polarisation and creation of pockets of deprivation and where households have true housing choice

6.5 In the context of realising the full potential of the Opportunity Area and to incorporate the existing estates within the regeneration proposals the Site Wide Development Option specifically prioritises:

- The need to address the problems facing the existing estates which are much deeper than simply require one off investment in the existing stock and which requires a comprehensive regeneration package
- A regeneration solution for residents of the existing estate which provides a single move within the development area, certainty and which protects and fosters existing community spirit and relationships
- Re-provision of the existing housing stock with new homes and an opportunity to respond to housing need within the existing estates by directly addressing issues of overcrowding through re-provision based on housing needs within the Opportunity Area

- Prioritising early replacement of existing homes to enable early movement in the development process within the Opportunity Area.
- No net reduction in the amount of existing social rent floorspace.

6.6 Furthermore, as set out in section 4, policy recognises that site specific circumstances and wider planning objectives may impact the ability of a scheme to deliver affordable housing. In this case there are a number of factors which reduce the ability of the scheme to provide affordable housing at levels as high as the strategic targets for either borough or London-wide, examples of which include:

- Levels: There are considerable variations in the levels across the site required to be addressed through the masterplan
- Existing infrastructure: The West London Line bisects the site and the District and Piccadilly lines cut across the site. These lines sit both above and below ground and add complexities in terms of the design and construction
- The existing LUL stabling facility, located parallel to the West London Line, is required to be retained and operational throughout and adds a further complexity and cost
- Post demolition constraints: Even after the demolition of EC1 there are retained foundations and apron structures which have impacted the masterplan and which in turn impact the approach taken to scheme design, phasing and construction
- Estate regeneration: The regeneration of the existing Gibbs Green and West Kensington housing estates is a significant benefit of the proposed development but also presents a substantial cost and constraint in terms of the phasing of the development – it is widely recognised that net additional housing provided where estate regeneration forms part of a development will not be able to achieve the targeted amount of affordable housing
- Empress State: The 31 storey existing Empress State building is required to be retained and integrated into the scheme
- Planning benefits: The package of planning benefits which will be brought forward as part of the scheme will be significant

6.7 The priority that has been ascribed seeks to ensure that both Development Options are viable and deliverable whilst maximising the overall contribution to planning gain including the maximum reasonable contribution towards affordable housing. Specifically in the context of the Site Wide Development Option it has been critical to ensure that the existing affordable homes can be re-provided in early phases in order to provide the necessary certainty and facilitate the comprehensive regeneration that this option enables whilst always protecting the interests of the existing residents. The extent to which these factors affect the overall level of affordable housing provision for both Development Options is being discussed with the determining authorities and the work that is being undertaken will ensure that the proposals in the form of both Application 1 and Application 2 are feasible and deliverable whilst providing a level of affordable housing that is consistent with policy.

b) Quantum of Residential Development

- 6.8 Site wide the development proposes include 757,447 m2 GEA of residential (C3) floorspace accommodating up to 6,775 high quality new homes at a variety of sizes, types and prices. There are two Development Options, the Site Wide Development Option can deliver up to 6,775 homes whilst the RBKC Only Development Option delivers up to 1,016 homes. The apportionment between the two Development Options is set out in Table 2 below.

Table 2: Unit Size Mix and Size

Development Option	Maximum Floorspace (m2 GEA)	Maximum Unit Nos*
Site Wide	757,447	6,775
RBKC Only	143,503	1,016

* Depending on the precise mix of unit sizes

- 6.9 Both Development Options represent a significant increase in new homes within LBHF and RBKC and a valuable contribution towards the two Borough's and the Londonwide housing targets. The Site Wide Development Option also, in response to specific housing and regeneration priorities within LBHF, will replace the existing West Kensington and Gibbs Green Estates. The quantity of housing to be provided, is a significant planning benefit of the planning applications.

c) Masterplan Principles

- 6.10 As the proposals have developed they have been influenced by a vision which seeks to create a home for traditional neighbourhood values, space which facilitates sustainable living, design that combines the spirit of London and the best international ideas and a basis for a community that will benefit from a forward-looking and fulfilling way of life. The density, massing and form of residential development responds to this vision and is a product of a constantly evolving iterative process involving the Applicant's design, technical and commercial advisors whom together have devised the application proposals. The result is a masterplan which provides the basis for the creation of four 'villages', a High Street together with the lost river park and a Broadway each of which will have their own characteristics which in turn will enable the housing offer to be differentiated in relation to distinct target markets.
- 6.11 The character areas are described in detail in the Design and Access Statement but specific features relating to the residential elements include:
- West Kensington Village: This village forms the northern entrance to the site as well as a metropolitan front door to London due to its presence on the A4. This is predominantly commercial area and as such warehouse style buildings offering more 'loft' type apartments will be provided, targeting younger professionals
 - Earls Court Village: This area is defined by its high street and proximity to Earls Court underground station and Warwick Road. It's a place of elegant grandeur combined with intimacy where sweeping crescents of terraced houses, mansion blocks and taller elements create a variety within a consistent whole. The market product is anticipated to consist of larger lateral flats with some houses that will appeal to the wealthier purchasers who demand very high quality specification and an exceptional level of service. The area will feel like a natural progression from the more established higher value parts of RBKC and the terraced houses and mansion blocks will attract families and a number of owner occupiers

- North End Village: This village is inspired by the existing North End market and offers a vibrant street life and range of good quality, high density, residential accommodation in a varied and green setting. It has a more bustling, local feel than Earls Court Village, absorbing the character of today's North End Road market. This area will be offering a wide variety of product at lower price points and will aim to achieve high densities. Smaller unit sizes in this area will enable a greater range of affordability across the whole scheme, thus widening the target market
- West Brompton Village: This area is a leafy relaxed and tranquil neighborhood near the High Street which blends into adjacent neighborhoods and has all the facilities and open space that families need to enjoy life in the city. It provides an important entrance to the proposed comprehensive redevelopment. The village is predominantly residential in line with the scale and massing of the existing development along Lillie Road and will offer a varied product to a wide target market with western parts of the area offering similar types of product to Earls Court Village
- The High Street: The vibrant 21st century high street forms part of the primary street network of the masterplan and contributes to the overall permeability of the masterplan. The street establishes the primary East-West route through the Site. Buildings follow the street line and the street section changes along the way to provide areas for art and street activities. The buildings typologies follow a modern interpretation of the 20th century London mansion block with active uses on the ground floor and residential apartments above
- The Broadway: The Broadway is part of the primary structure of the masterplan and provides the primary North-South route through the site. The varied character of the Broadway is reflected in the different typologies along its length – from large but flexible commercial buildings to the north, 21st century interpretation of the handsome mansion blocks in the middle to mixed use buildings in the south

6.12 The planning application is sufficiently flexible to allow for the market products to be refined as the detailed designs are progressed, enabling residential sub-uses to be brought forward where appropriate, for example to meet the requirements of different household types. Further details on the character areas and the residential typologies are set out in the Design and Access Statement.

d) Affordable Housing and Delivery

6.13 Alongside the various market types and sub-markets the new homes will, in response to both the Council's identified needs, include affordable housing. For the Site Wide Development Option this in addition to new affordable provision will also comprise the re-provision of the existing homes.

6.14 The regeneration of the existing West Kensington and Gibbs Green Estates is central to delivery of the Site Wide Development Option. This represents a significant benefit of the Applications and is a direct response to the opportunities identified by LBHF of incorporating the existing estates as part of a comprehensive regeneration scheme to include new homes, job opportunities, better transport links and new community, leisure and amenity facilities. Critically because the proposals form part of the comprehensive proposals the Applicant is able to provide existing tenants certainty in terms of what they will be offered, when and where

with no recourse to public subsidy or the uncertainties which underlie this – the proposals are solely funded through the development.

6.15 The homes that will be subject to demolition as a result of the plans for comprehensive regeneration proposed by the Applications, set out in detail in section 3 of this Statement, comprise:

- 531 social rent homes owned by LBHF
- 58 social rent homes owned by RSLs
- 171 leasehold/freehold homes privately owned

6.16 The approach that has been taken to the re-provision takes its direction from policy as to the key principles that should underlie any application which includes regeneration of the existing estates. The guarantees made to residents by LBHF include:

- A permanent home in the area and moving of neighbours in phases to enable existing communities and friends to be kept together as far as practicable
- A decant strategy which is to be based on the principle that there will only be one move and no one will move out of their current home until a new one has been built
- Full involvement of residents in any plans or proposals
- For social rented tenants, rents will continue to be set by Government at a rate which is affordable
- For home owners the chance to buy a home in the future development at a discount

6.17 More recently these guarantees have been translated into two sets of draft contracts and provided to residents of the Estates. Details of the offers made to existing residents are set out in section 8 of this Statement.

6.18 In addition to the re-provision both Development Options will enable the delivery of new affordable homes, all of which are to be provided as intermediate tenures to add diversity to the local housing offer contributing to the creation of a ladder of opportunity, which will enable housing to be accessible to a wider range of incomes and which will respond to the present polarisation of incomes, between the poor and the affluent, within the Opportunity Area. Presently there are no intermediate tenure homes within the existing estates and very limited opportunities within the wider area of either RBKC or LBHF to access affordable home ownership.

6.19 The Site Wide Development Option responds not just to the housing needs of those moving into the new development but also provide important linkages, opportunities and improvements for existing residents. The development is uniquely placed to provide a positive response to the socio economic and other challenges within the existing housing estates, for example high levels of unemployment (including long term unemployment), high proportion of household on benefits (and for a sustained period of time), poor health and lower levels of training and qualifications enabling the creation of a more mixed and balanced community. The existing residents have to date and will continue to be directly involved in the re-provision their new homes which in turn will provide wider opportunities as part of the comprehensive regeneration proposals.

- 6.20 In the event that the RBKC Only Development Option is progressed the Applicant will work with RBKC to ascertain an appropriate equivalent affordable housing solution (this is subject to ongoing negotiation but potential options may include units, floorspace or financial contribution).
- 6.21 Further details in relation to the proposals for replacement of the existing homes and the new affordable housing are set out in sections 7 and 8 of this Statement.

e) Unit Size Mix

- 6.22 The proposed unit size mix provide for a range of unit sizes from 1 person apartments to four bed and larger homes. The proposed mix and the assumed minimum unit sizes are set out in table 3 below.

Table 3: Unit Size Mix and Size

Unit Type	Proportion Range Within RBKC	Proportion Range Within LBHF	Minimum Unit Size m2 (NIA)
1 person apt	2% - 5%	2% - 5%	38
1 bed	20% - 35%	29% - 35%	50
2 bed	30% - 40%	30% - 40%	61
3 bed	20% - 25%	20% - 25%	74
4 bed +	5% - 20%	5% - 10%	90

f) Phasing

- 6.23 The proposed indicative phasing plan has been subject to very careful consideration and internal scrutiny by a professional team in collaboration with LBHF that has extensive experience in complex projects. The phasing is critical because of the importance of the re-provision of homes from the existing Estates, timely reprovision of new homes for the existing residents and the delivery of the necessary infrastructure to be able to deliver the key structural and place making elements which are critical to be able to achieve the assumed values and sales rates. Different parts of the development will be brought forward simultaneously or will overlap. The development is proposed to be built out in accordance with the submitted phasing plan which is explained in the Environmental Statement for each of the Applications.

g) Design Standards

- 6.24 The Design and Access Statement provides details on the design principles and the evolution of the proposals. It should be noted:
- All new homes will be provided to the minimum unit size standards as set out in the DRLP
 - There will be no differentiation externally between market and affordable housing
 - All homes will meet the key principles of lifetime homes
 - 10% of homes will be designed to be capable of meeting wheelchair standards

h) Parking

- 6.25 Car parking is to be provided at a ratio of 0.6 spaces per residential units and will be designed on a plot by plot basis with on-street parking primarily provided for visitors. One space in every ten will be provides as disabled car parking spaces.
- 6.26 Cycle parking will be provided in accordance with the standards set out in the DRLP.
- 6.27 Additional details on the treatment of car parking within the scheme is addressed in the Transport Assessment

7 Affordable Housing Proposals

7.1 This Statement has explained that the policy framework against which the scheme proposals are to be assessed, from national down to local, is flexible in terms of the amount and type of affordable housing. The considerations which have been taken into account in determining the amount and type of affordable housing to be provided are broadly consistent between the GLA, LBHF and RBKC and include the need to encourage rather than restrain development, wider scheme and planning objectives, site specific circumstances and scheme viability.

7.2 These considerations have been addressed throughout this Statement and the Applicant has sought to reconcile the many competing objectives to achieve the optimal affordable housing proposal.

a) Baseline Affordable Housing Offer

7.3 It is proposed that Site Wide Development Option will facilitate provision of 1,500 new affordable homes comprising:

- Delivery of 1,300 affordable homes on Site, within the red line boundary of Application 2, of which:
 - Up to 560 are provided for the re-provision of the existing homes on the two Estates
 - At least 740 are provided as net additional affordable homes (some of the 560 homes may be provided as net additional homes in the event that any of the existing residents choose not to take up the potential of a unit on site) to be apportioned between RBKC and LBHF
- Payment to secure delivery of 200 affordable homes within the red line boundary of the Seagrave Road Car Park planning application for the re-provision of the existing homes identified for demolition

7.4 In the event that the RBKC Only Development Option is progressed the Applicant will work with RBKC to ascertain an appropriate equivalent affordable housing solution to that which RBKC would have achieved under the Site Wide Development Option. Once the apportionment of the nominations between LBHF and RBKC has been determined this will form the basis of the calculation of an equivalent offer (the means of calculating and delivering this will need to be given careful consideration to ensure maximum reasonable affordable provision is provided taking into account scheme specific circumstances and scheme viability and may include units, floorspace or financial contribution).

b) Reprovision of Existing Homes

7.5 The reprovision of the existing homes only occurs as part of the Site Wide Development Option. There are 760 existing homes proposed for replacement to facilitate delivery of the application proposals. The existing unit mix is set out in section 3 of this Statement. The development proposals have been prepared in the context of the key principles and offers made by LBHF to the existing residents and ensure that:

- All of the existing homes identified for replacement (social rent, RSL and the leasehold/freehold) are reprovided within the development area either as part of the 560 to be provided on site (within the red line boundary of Application 2) or through purchase of 200 homes at the Seagrave Road Car Park.
- All residents only have a single move - the use of Seagrave Road is critical to enabling this commitment to be met and to minimising to existing residents.
- There is no net loss of affordable housing floorspace. The existing 589 social rent homes will be reprovided on the basis of at least equivalent units and floorspace. The precise mix of the reprovion will depend on the individual household need at the time however the unit size mix of the first phases of decant to the Seagrave Road site will be set out in the application documentation - this is addressed in more detail in Section 8.
- Over and above the requirements of policy the Applicant also commits to providing a further 171 affordable intermediate tenure homes to ensure all of the existing leaseholders/freeholders have the option of moving into the new development. The value of the existing home will be transferred into an equity share of a new home. The owner will benefit from a 10% discount on the open market sale value and if the equity in their existing home is less than the amount payable the unsold equity will be transferred to LBHF at nil cost with an assurance that no rent to be charged on the unsold equity. Where the existing home owners choose to move out of the development they forgo the opportunity to take up a new home within the development area and these homes will instead be transferred to LBHF at nil cost to be provided as net additional affordable housing (ie. the total number of affordable homes remains as 1,500 but the net additional affordable homes is more than the minimum 740 homes). More details on the offer made to leaseholders/freeholders is set out in Section 8.

7.6 All the 760 homes which replace the existing homes will be transferred to LBHF at nil cost.

c) **New Affordable Housing**

7.7 As part of the Site Wide Development Option the application proposals include 740 new affordable homes to be provided as intermediate tenures within the red line boundary of Application 2. It is intended that both Boroughs, LBHF and RBKC, will benefit from the potential to occupy these new homes, the basis for this apportionment is to be subject to further discussion.

7.8 In the event that the RBKC Only Development Option is taken forward (ie. Application 1) then the Applicant will work with RBKC to ascertain an appropriate solution that is equivalent in terms of the impact on scheme viability.

7.9 In respect of the RBKC land (Application 1) the applicant has considered whether it is feasible to provide a financial contribution for affordable housing provision. The potential for this is subject to scheme viability and the planning gain requirements associated with the RBKC Only Development Option. It is intended that should this be possible it would be for the sole benefit of RBKC either by using the funds on site or, a better value for money option, utilised as a commuted sum either to further enhance affordability of those units to which RBKC are

allocated within LBHF and/or to invest in facilitating off-site delivery of affordable housing on other strategic objective elsewhere within the Borough. The potential benefits of a payment are consistent with the strategic aims as set out in the RBKC Private Sector Renewal Strategy (2008-2013).

- 7.10 The specific assumptions which have been critical in determining the baseline affordable housing offer include grant funding, affordability, unit mix and sizes, affordable housing price, car parking and service charges.

d) Grant Funding

- 7.11 In determining the amount and type of affordable housing for both Development Options to be provided no grant funding has been assumed either in respect of the re-provision of the existing estates or to assist with the delivery of new affordable housing. This reflects the recent guidance provided by the HCA for the funding period up to 2015 – beyond this there is no certainty in terms of the availability of grant or what funding priorities will be but it is generally accepted that the levels of grant experienced historically will not be available.

e) Affordability

- 7.12 At a time when the definition of affordability is subject to change it is critical to ensure i) affordable homes are subject to appropriate controls to ensure their affordability and ii) there is sufficient flexibility within these controls to respond to future changes.
- 7.13 Homes re-provided as social rent tenures will continue to have their rents set by LBHF. In addition there are guarantees provided by the Applicant for compensation arrangements alongside an enhanced level of fit out ensuring existing tenants benefit from the development proposals. Tenants will be living in new homes constructed to high standards, for example Code for Sustainable Homes Level 4, meaning many households will face lower energy costs.
- 7.14 Similarly the arrangements in place ensure that existing leasehold/freehold owners will not be any worse off financially or any more financially exposed than they are occupying their present home.
- 7.15 With regard to the new intermediate homes all will be subject to the upper affordability thresholds set by the GLA with a series of bands to ensure a range of affordability can be achieved. These bands are able to be amended subject to the minimum price being achievable (see below) to enable the intermediate housing to respond to new products, funding opportunities and initiatives as and when they arise. The emphasis on flexibility will also provide the potential to properly respond to aid mobility within the local housing market, potentially enabling existing social rented stock to be released as households move up the housing ladder – reflecting national, regional and local aspirations to promote home ownership. Over and above this the approach mirrors that of Central Government and the introduction of Affordable Rent ensuring people pay what they can afford towards their housing costs and having the potential to use affordable housing as a means for creating subsidy for facilitating other enhanced affordability elsewhere in the scheme or off site if appropriate.

- 7.16 The Applicant proposes a baseline commitment to a range of incomes that homes will be affordable to, rather than seeking to specifying types of intermediate tenure to be provided:
- One third to be targeted to households with incomes of £35,000 and under
 - One third to be targeted to households with incomes £45,000 and under
 - One third up to the thresholds allowable in the London Plan ie. £61,400 and £74,000

7.17 The upper threshold and the affordability bands will be updated annually in accordance with the methodology used by the GLA with specific reference to local values.

f) Unit Mix and Sizes

7.18 Details relating to the design of the residential elements of the scheme are set out in the Design and Access Statement. All affordable homes will be provided to London Plan units size space standards.

g) Affordable Housing Price

7.19 The Section 106 Agreement will identify a minimum price to be payable for the new affordable housing. This price has been determined by reference to the affordability bands set out above and the assumption of nil grant. The assumed price will be index linked. The price will be subject to review by the Valuation Office and will therefore be able to be independently verified as being reasonable. If, through tendering, the minimum price is not met there will be flexibility to review the amount, type, tenure, timing and other characteristics of the affordable provision including affordability so as to enable the minimum price to be achieved.

h) Service and Estates Charges

7.20 All households, including occupiers of affordable housing, are required to pay towards service charges (ie. specific to the building the household occupies) and estate service charges (ie. a fair and reasonable contribution to the wider estate amenities and services from which the occupier benefits). The Applicant will work with the Boroughs and Affordable Housing Providers as they are known to ensure these are set at affordable levels reflective of the services received.

i) Enhanced Affordable Housing Offer

7.21 Over and above this baseline offer the Applicant is exploring the potential to for an enhanced 'policy plus' offer in respect of the affordable housing for the Site Wide Development Option. This is potentially relevant to both Development Options and responds to the direction of travel of policy where in response to the significant reductions in public subsidy innovation and flexibility is encouraged. The approach being explored by the Applicant embraces and responds to this challenge positively. A mechanism is proposed which is applied to the affordable housing units given the financial uncertainty associated with this element in light of recent cuts in public subsidy and in view of the changing policy basis relating to tenure, tenancy terms and cost to occupiers. The revenue assumed as part of the viability process excludes grant. One of the benefits of the proposed mechanism is that if grant is forthcoming in the future this or any other additional value released from these units can be captured and reinvested in the affordable homes over the duration of the development.

- 7.22 This additional value could be made available on a rolling basis to invest in:
- Enhancing the affordability of the 740 additional affordable homes on site. This offers the potential to enable more households on lower incomes to be able to afford homes; AND/OR
 - Delivering additional affordable housing outputs outside of the development area for example through grant replacement initiatives, estate regeneration, empty homes initiatives, more efficient use of the existing stock etc.

7.23 The additional value that can be captured could be significant and represent a substantial planning benefit over and above the base affordable housing offer. The approach builds on that rolled out by Central Government in respect of affordable rent but gives greater flexibility and control to RBKC and LBHF to be able to respond to housing needs and scheme specific circumstances at the time. Potential sources of additional receipts may include:

- Post 2015 there is uncertainty as to whether HCA grant funding will be available – this mechanism ensures that if grant is available it can be applied for and if secured directed into the scheme easily without a change being necessary to the Section 106 Agreement
- In the event that any receipts are able to be secured either initially or over the duration of the scheme from the re-provided leaseholder/freeholder units ie. staircasing receipts.
- If any value is secured over and above the identified minimum price for the new intermediate homes this will be used directly to benefit the affordable housing within the scheme
- At the Council's discretion, receipts from New Homes Bonus, commuted payments from other s106 sites etc.
- At the Council's discretion there is the potential to adjust the affordability of homes in specific blocks or phases upwards so as to enable a higher affordable housing price to be payable – as set out above if this means a receipt higher than the affordable housing price is able to be achieved all of the benefit is directed back into the affordable housing in the development

j) Summary

7.24 The baseline affordable housing offer has been derived through a process which wholly accords with policy. The order and scale of the proposals, along with the extent of investment required in the demolition, infrastructure, place making and facilitating the estate renewal, means that this is not an easy site to deliver. It is not unexpected that the Londonwide and Borough wide policy targets are not met. The resulting offers are however policy compliant and represent the maximum reasonable contribution that can be made by either Development Option to affordable housing. Over and above this the Applicant has taken direction from policy and has responded innovatively to the changing uncertainties and realities of providing affordable housing at this time. A mechanism has been created that ensures any additional value generated by these uses is captured and made available for investment within the scheme to further enhance affordability or to be invested elsewhere in the Boroughs to meet their priorities.

8 Terms of Reprovision of Existing Housing

8.1 This Statement has identified the priority ascribed to the reprovision of the existing housing and the importance of this to realising the potential of the Opportunity Area and enabling the delivery of new homes and jobs. Section 3 of this outlines the challenges being responded to, section 4 outlines the policy context and sections 6 and 7 outline how the reprovision has been incorporated into the resulting housing proposals.

8.2 This section of the Statement summarises the offers that have been made by LBHF to existing residents within the West Kensington and Gibbs Green Estates. After an extensive exercise with several estate residents and their legal advisors a consultation document followed by draft contracts have been prepared for the reprovision of homes.

a) LBHF Offer to Tenants

8.3 The current offer to tenants can be summarised as:

- **New Home:** Any tenant who wishes to remain a council tenant will be allowed to do so and will be able to move into a new council property in the new development (or move to an existing council property in the borough if they preferred)
- **Tenancy Agreement:** All tenants will have the opportunity to move into the development area should they wish. Should existing tenants, choose to do so, they will be granted a new secure tenancy of their new home on no less favourable terms, (other than if national laws change)
- **Phasing:** There will be no use of temporary accommodation – residents will benefit from a single move
- **Size:** The size of home that will be provided will be based upon need at the time. Where homes are under-occupied the tenant will be offered a home with one additional bedroom above need. Space standards will comply with Mayors Design Guide.
- **Specification:** Tenants will be encouraged to input into the design/finishes of their homes.
- **Rents:** Will conform to current LBHF policy and will not be based upon values in the new development
- **Homeloss, disturbance and compensation payments:** Compensation will be paid for homeloss and reasonable costs of moving. In addition a developers package is provided which ensures the new homes will include blinds, curtains, white goods and floorcoverings etc. Tenants may be eligible for additional compensation payments depending on their individual circumstances

b) LBHF Offer to Leaseholders/Freeholders

- 8.4 The current offer to resident leaseholders and freeholders choosing to move into the new development can be summarised as:
- Value: Households will receive the market value of their current home along with a 10% Homeloss Compensation and a 10% early purchase discount on the purchase price of the new home. Additional disturbance payments may be made for example to include reasonable moving costs, for improvements made to homes that are not reflected in the open market value and any fees incurred for early redemption of mortgages
 - Purchase Arrangements: If the households cannot afford to purchase a home on the development outright then for that owner can purchase part of a home as a shared equity tenure where no rent will be payable on the unsold equity
 - Specification: Purchasers will be encouraged to input into the design/finishes of their homes where possible. Households will receive the Developers Package to include new carpets, white goods, floorcoverings etc.
- 8.5 Specific terms have also been prepared by LBHF for circumstances where the resident leaseholders chooses to move out of the area. In the event the owner chooses not to take up the option of a new home in the development they will be offered the open market value of their home plus 10%, together with reasonable removal costs and Stamp Duty Land Tax.
- 8.6 There is on-going consultation between the resident and LBHF. Any commitments made by LBHF will be underwritten by EC Properties in the proposed land deal between them.

c) Relocation Process

8.7 It is anticipated that the relocation process will comprise a series of phases, the first phase is envisaged to have residents moving into their new homes in late 2014/ early 2015, and the final phase will conclude approximately 10 years later. Indicative details of the draft proposed phasing of the relocation are set out in figure 3 below.

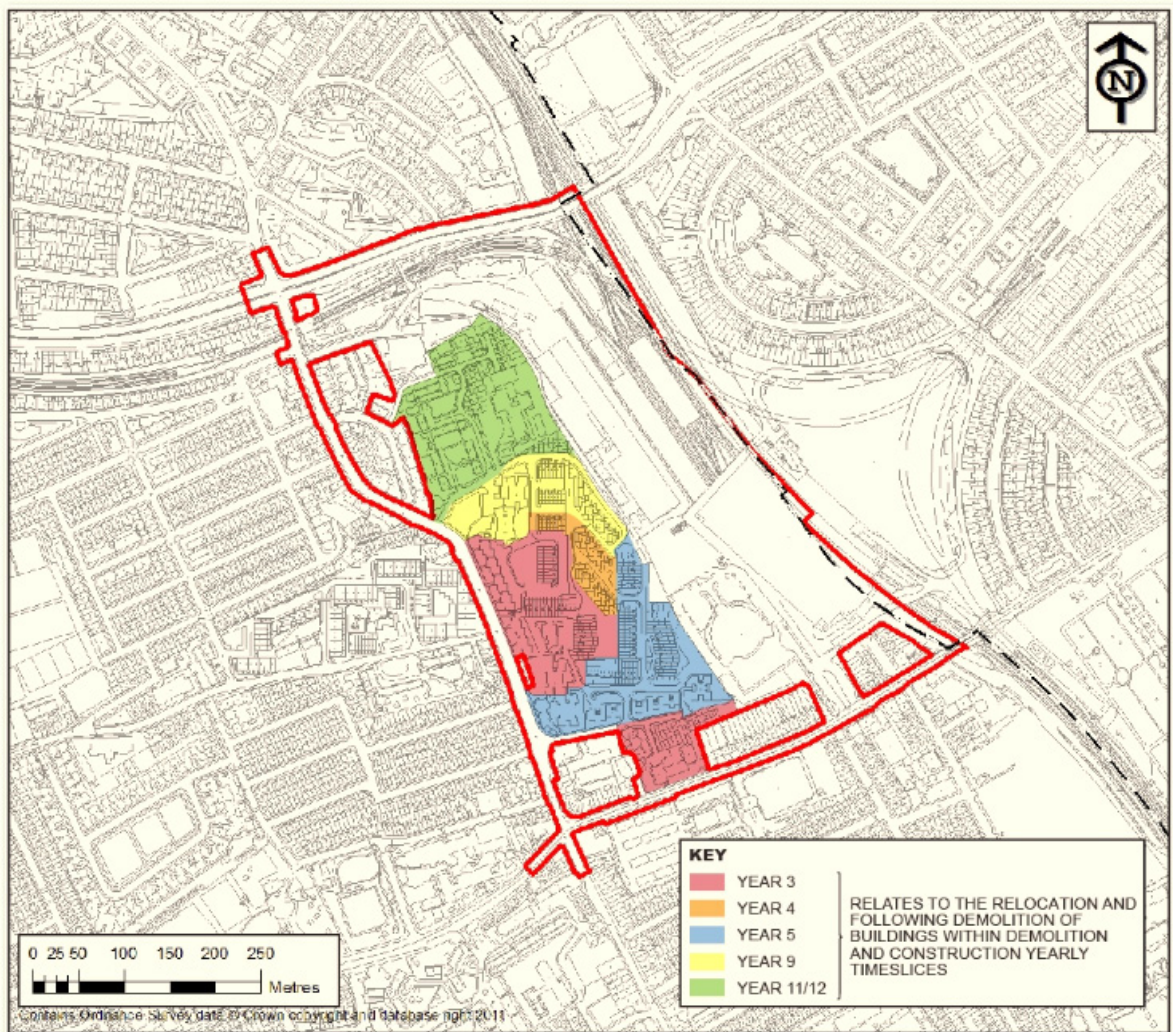


Figure 3: Indicative Timing of Relocation Strategy

8.8 The details of the relocation including which units, timing and location of new homes will be a critical element of the work moving forward and will require the Application to work closely with the LBHF and the residents. A Resident Steering Group has been established to enable this.

9 Summary

- 9.1 This Housing Statement has been submitted in support of the Applications for the comprehensive redevelopment of the Earls Court Site, including the re-provision of the existing estates.
- 9.2 The Earls Court Site forms the majority of the ECWKOAs an area prioritised for growth in London and comes forward at a time when nationally growth is top of the policy agenda. West London is facing heavily constrained housing supply and significant unmet demand – the opportunity to secure delivery of this residential led regeneration scheme is important locally, regionally and nationally. The residential element is also key to scheme viability offering a unique opportunity to trigger the transition from an urban back land to one of London’s most interesting and deliverable development opportunities.
- 9.3 In accordance with the London Plan and the DRLP the Application maximises the amount of new homes and delivers a broad mix of unit sizes including family housing. The quantum of new homes represents a significant benefit of the Development including a substantial contribution to London and targets of both boroughs including a range of tenures, affordability and types.
- 9.4 The Applications respond positively to the policy framework and by incorporating the existing West Kensington and Gibbs Green Estates ensure not only that the scale of development is optimised but that the wider regeneration benefits are shared with existing residents and who will benefit significantly from the proposed development. The inclusion of existing West Kensington and Gibbs estates, a priority for LBHF as set out in its emerging Core Strategy and the draft ECWKOAs SPD, ensures that this unique opportunity achieves wide reaching outcomes which are not able to be achieved through small scale intervention or remodeling.
- 9.5 The Site is complicated to bring forward, facing wide ranging constraints, design challenges and competing requirements which directly impact scheme viability. The housing proposals successfully reconcile all of these considerations whilst always seeking to ensure a deliverable and sustainable solution of optimised housing growth for this key site. In addition to responding to the significant need for market housing the Site Wide Development Option makes a substantial contribution to affordable housing, not only through the re-provision of the existing estates but also through new provision of intermediate affordable homes. The proposed Site Wide Development Option affordable housing offer, is equivalent to 1,500 affordable homes and comprises:
- 560 social rented homes along with payment to secure 200 homes at Seagrave Road Car Park site for the re-provision of existing homes
 - 740 new intermediate homes to be apportioned between LBHF and RBKC on a basis to be agreed
 - Potential for a financial contribution and an innovative review mechanism to further optimise the affordability of the proposed affordable housing on site or for use off site if appropriate

- 9.6 The approach taken to determining the housing offer, specifically the affordable housing, accords with policy taking account: the need to encourage rather than restrain residential development; the individual circumstances of the Site; individual site costs; and other scheme requirements. This will ensure the proposal robustly represents the maximum reasonable amount which can be viably delivered by the scheme.
- 9.7 Development at Earls Court will provide LBHF with an extraordinary opportunity for cross borough housing solutions. LBHF and RBKC can set the tone of innovative housing delivery with the potential to kick start local recycling of subsidy from existing affordable housing into new affordable housing, enabling the targeting of subsidy towards the perpetually evolving highest housing priorities in the borough. This will demonstrate that the national policy of delivering more for the subsidy available is a realistic prospect.
- 9.8 The proposals provide the basis for a sustainable, inclusive and mixed community with access to a wide range of tenures and types of homes along with access to low cost home ownership. The flexibility built in to allow for the affordable products and affordability to respond to circumstances at the time, and to create an ongoing basis for reinvestment goes over and above what is required by adopted policy and responds to the changing policy and funding environment in which this scheme is coming forward. The proposals goes over and above what is required by adopted policy, and provides an exemplary response to the changing policy and funding environment in which this scheme is coming forward.

