

Summary of evidence of Michael Edwards

1 The witness

1.1 My name is Michael Edwards. I am a co-chair of the King's Cross Railway Lands Group. I shall give evidence on the inadequacy of the appellants' offer of affordable housing, especially social housing, on the site and the amount that should be provided. I do so on the basis that the Inquiry finds the site has sufficient amenity for at least some residential use. I also argue that the social rented housing should be provided off-site.

2 Affordable housing on the Triangle and on the Main Site

2.1 The Appellants assert in their Grounds of Appeal that 'the development of the Triangle Site and the Main Site would together deliver an appropriate affordable housing provision'. This Inquiry cannot consider, as such, whether there is enough affordable housing contained in Camden's main site consent.

2.2 However, the Appellants chose to make separate outline applications for the Triangle Site and for the Main Site. Now they contend that the quantum of affordable housing on both sites should be taken together. They can't have their cake and eat it.

2.3 As a result of the separate applications, it is not open to either council to seek changes such as moving the housing from the Triangle onto the Main Site. A single application would have allowed the Triangle to be dealt with as part of the phasing of the two developments. Instead, if the site proves to be unsuitable for housing, any housing proposed for the Triangle could be lost.

2.4 Since then both the appellants and Camden Council have treated the Triangle application as separate and independent from the Main Site application, as set out in *CRG decision chronology*.

2.5 Mr Robinson's evidence (§ 3.14) incorrectly recalls the events of the Islington West Area Planning Committee on 10 July 2007 in stating that the Committee acted 'without regard to considering the alternative options available to them, specifically to seek further clarification from the developer'. I was present at the meeting. When it became clear that members were coming to the view that they should insist on 50% affordable housing, it was the senior planning officer, Mr

Loveland, who proposed to members that, in that case, they should refuse permission.

3 Amount of affordable housing on the Main Site

- 3.1 Given that the Main Site and the Triangle were subject to these separate applications, the amount of affordable housing proposed for the Triangle must be considered on its merits. The Appellants cannot conflate the two sites simply because in this instance it happens to suit them.
- 3.2 However, if the Inspector does wish to take into account the amount of affordable housing on the Main Site when considering the amount on the appeal site, then whether that amount on the Main Site is in fact 'appropriate'—despite being beyond the power of the Inspector to affect—must be open to question.
- 3.3 We do not intend to argue here whether all the 'affordable' housing on the Main Site qualifies as such, and accept, for these purposes only, that the Main Site affordable housing provision constitutes 44% of the housing units planned for that site (that is, 42% net new provision and 2% units to 'replace' those demolished).
- 3.4 This 42% total net provision falls some way short of the 50% target in LBC's *Replacement Unitary Development Plan* and the *London Plan*. Given the Appellants' claim that the 44% on the Main Site, with the 34% proposed for the Triangle, is appropriate affordable provision, we invite the Inspector to consider whether it actually is 'appropriate' in the light of policy and need.

4 How the 'appropriateness' of provision less than 50% was assessed

- 4.1 The financial advice provided by DTZ is insufficient to conclude that 42% is the maximum viable proportion of affordable housing that the development can bear. LB Camden states that they did not rely on DTZ's financial model in deciding the appropriate level of affordable housing, and Mayor was satisfied by it. However the appellants place some reliance on the DTZ appraisal so we must deal with it.
- 4.2 The DTZ briefing note fails to provide sufficient justification for to conclude that 50% affordable housing is not financially viable, for the reasons set out in my proof. Perhaps the most important is that:

Certain costs (s.106 and heritage) are described as a cost to development profit, but are more likely to be shared between developer and landowner. It would normally be expected also that the costs of making affordable housing provisions (at the levels required under planning policies) would be discounted out of a land acquisition cost.

- 4.3 The case justifying only 42% affordable housing on the Main Site was not made on a proper and safe basis. That flawed analysis cannot be used to justify a mere 34% affordable housing on the Triangle site. There is no evidence that any more rigorous financial feasibility appraisal, of the kind often required by the GLA and local authorities (e.g. the Three Dragons Model), was undertaken.
- 4.4 I conclude that the GLA is not correct to state in its Stage II report that: '50% affordable housing is not financially viable within this development, within the context of the available resources and values'. Nor does the DTZ report justify the statement in the letter from the GLA to LB Camden, of 13th December 2007, that 'the King's Cross Central scheme achieved the maximum reasonable amount of affordable housing'.

5 'Affordable' housing provision on the Triangle if residential amenity is established

- 5.1 There are three problems with the appellant's offer:
- The inadequacy of the 'affordable' total
 - The relative proportions of social rented and intermediate affordable housing; and
 - Whether some of the so-called intermediate products are actually low cost market housing and so fail to qualify under Planning Policy Statement 3 'Housing' (PPS3) as intermediate affordable housing.

6 Overall amount of affordable housing and the social rental share

- 6.1 In the *London Plan*, King's Cross is an 'Opportunity Area' intended to provide a minimum of 2250 additional homes (of all tenures) in the period 2001-2026 (*London Plan* FA table 5B). The Main Site permission provides for a maximum net additional construction of 1626 units on the Main Site (*LBC OR* 17-02-06 §7.2). Taken with the 246 units in the Triangle proposal, the total would be 1872—well short of the 2250 in the *London Plan*. The 'Opportunity Area' only has one plot left where new development could be proposed, but the 'linear

lands', called sub-area 6 in the *Planning and Development Brief*, is unsuitable for housing.

- 6.2 The Panel which examined the draft housing alterations to the *London Plan* specifically refers to the Kings Cross Railway Lands Group's concern that housing needs are being overlooked. The Panel recommended that the Mayor's Statutory Housing Strategy give appropriate guidance to ensure the issues raised in respect of the King's Cross area do not recur (*London Plan Early Alterations* EIP Panel report § 2.41 and Recommendation H18).
- 6.3 The *London Plan* stresses that on high value sites such as King's Cross more than 50% of housing should be affordable (LPFA § 3.42).
- 6.4 We urge the Inspector to uphold local and regional policies on this issue and require that 50% of any housing on the Triangle should be affordable.
- 6.5 The *London Plan* seeks a 70:30 split between social-rented and intermediate affordable housing. Camden's *UDP* policies H2 and KC4 require the same split. Thus of the 84 'affordable' units currently offered, 58 or 59 should be social-rented rather than 36. If 50% of the units in the scheme were affordable, as London and local policies require, then there would be 123 affordable units: 86 social-rented units and a further 37 intermediate affordable units. The current balance is wrong and does not respond to the needs of either borough.
- 6.6 The latest *London Plan Annual Monitoring Report* shows that affordable housing of all kinds represented 67% of all completions in Islington in the latest year (05/06), 29% in Camden and 49% in the two boroughs combined. However, far too low a proportion of that housing was social housing to rent. The social rental proportions were: 47% in Camden and 36% in Islington, which is 40% in the two boroughs combined—far short of the target 70%. Further, the continuing loss of social rented units through the Right to Buy is ignored in these data. Indeed the number of new social rented homes may not be enough to compensate for the losses. In Camden the 84 units of social rented housing achieved last year compare with Camden's estimate of 100-150 RtB losses per annum (*LBC Housing Strategy*). No data can be found for losses via right to buy for Islington.

- 6.7 Further, housing must be genuinely affordable if it is to contribute realistically to local needs.
- 6.8 LBI's most recent *Housing Strategy* (2004-7) specifies 1815 affordable units per year are needed over next five years. The latest *LP Monitoring report* (2007) shows the total affordable housing units in Islington was 491, 310 intermediate and 181 social rented—far short of Islington's own target.
- 6.9 My own research in 2000 confirmed the need for social rented housing in the area (*Report on the Survey of Households in King's Cross, 2000*, Dr Emmanuel Mutale and Michael Edwards, UCL, 2003).
- 6.10 The appellants argue that a shortfall in King's Cross could be justified by better-than-target social rented or other affordable housing provision elsewhere. However, achievement of these targets has been woefully inadequate at the London level. (See *LCF Written Statement on Matter 6*, FALP, 2007, p.2).
- 6.11 Finally, the appellants' argument that an unusually low proportion of socially rented housing would be appropriate here because the locality has an 'unbalanced' mix of tenures (Dickinson proof pp 27-30) should not be accepted.
- 6.12 Such an argument cannot be advanced for schemes larger than 1000 dwellings (Mayor of London, *Housing SPG*, §18.9) and the appellants insist that the Main Site and the Triangle should be considered together.
- 6.13 The amount of social rented housing in the adjoining wards and CIZ is being steadily reduced through the right to buy. The maximum possible provision on the Triangle site is required to offset that trend.
- 6.14 There is no reason to suppose that social housing tenants provide a less stable, less sustained, community than occupants of intermediate or private market housing: quite the reverse.
- 6.15 Nearby estates exhibit quite a strong mix of ethnic and income groups, living there as council tenants, leaseholders and private tenants of leaseholders.
- 6.16 The argument is based clearly on a stereotype of the 'sink estate' which simply does not apply here.

7 Types of intermediate affordable housing and PPS3

- 7.1 The 'Appeal proposal' differs from earlier offers in the mix of products within its intermediate affordable housing offer. The shift towards recognised products (key worker sub-market rented, and shared ownership) is welcome, so far as it goes.
- 7.2 The 'Homebuy' and two other developer-provided products—'Shared Equity' and 'Right-to-Buy Homebuy'—do not fully comply with PPS3. All three products should be considered low-cost market housing rather than affordable housing. On this basis, the number of intermediate affordable units on offer falls to 24 units. That would reduce the total affordable housing to 60 units out of 246: a mere 24.4%.
- 7.3 The policy underpinning PPS3 and *Delivering Affordable Housing* is simple and clear: ownership-based intermediate affordable housing must not disappear as the beneficiaries staircase out of the intermediate sector. The subsidy that helped provide their housing must be recycled 'to provide more affordable homes or buy back the home if needed' (*Delivering Affordable Housing*, §40). Appendix B of PPS3 is unambiguous: 'Affordable housing should... include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision'.

8 Summary on 'affordable housing' provision

- 9 The scheme does not offer 50% affordable housing. At best it offers 34.1%. It should be the full 50%.
- 10 The split between social rented housing and intermediate affordable housing is wrong. The scheme should offer at least 70% social rented housing but only offers 43%.
- 11 The developer's own 'intermediate' products do not comply with the tests in PPS3. They are low-cost market housing, which means that the Appellants are only offering 24.4% affordable housing.
- 12 However, Diana Shelley's proof argues, the Triangle may not be suitable for residential use. If it is allowed to have such use, it is not a place where those in the greatest housing need should be made to live. If the Inquiry decides that the site does have some residential amenity, KXRLG would support off-site affordable housing provision.