



1. Background

- 1.1 This report provides information about the amounts raised in recent years through Section 106 (S106) agreements and the degree to which affordable housing policy targets have been met.

2. Affordable Housing

- 2.1 The housing delivery target for Tower Hamlets from 2011 to 2021 is 28,850, as set by the London Plan. Tower Hamlets Core Strategy sets an 'overall strategic target' for 50% of all new homes delivered to be affordable homes (Policy SP02). These affordable homes are secured through planning obligations in section 106 agreements and through residential development schemes led by registered social housing providers or similar bodies.
- 2.2 Core Strategy (2010) Policy SP02 states that subject to viability, all residential schemes providing **10 or more units** are required to provide a minimum provision of 35% affordable homes; where on-site provision is unachievable a minimum provision of 50% is required. The policy also requires an overall strategic tenure split for affordable homes from new development as 70% social rented and 30% intermediate. The affordable housing target continues an approach that was established in the Interim Planning Guidance, 1st October 2007.
- 2.3 The London Development Database shows that between 1st April 2007 and 14th December 2012, 9,173 net additional homes were completed in Tower Hamlets (inclusive of major and minor applications). These developments, which include private-led and Registered Provider-led schemes, were granted planning permission between April 25th 2000 and 29th March 2011. Of the completed developments, 38% of units were affordable (with 15% intermediate and 23% social rented tenures).
- 2.4 Many of the schemes identified in paragraph 2.3 above, were granted planning permission prior to October 2007, when the policy requirement for major residential schemes was to provide 25% affordable housing. When restricting analysis to completed developments granted permission between 1st October 2007 and 31st March 2013 when the higher affordable target was in place, 52 schemes have reached completion or have commenced (21 schemes and 31 schemes respectively). 32 of these are market-led schemes, accounting for 5,253 (70%) market homes and **2,175** (30%) affordable homes. This ranges from 20% to 45% when measured in units (illustrated in Figure 1).

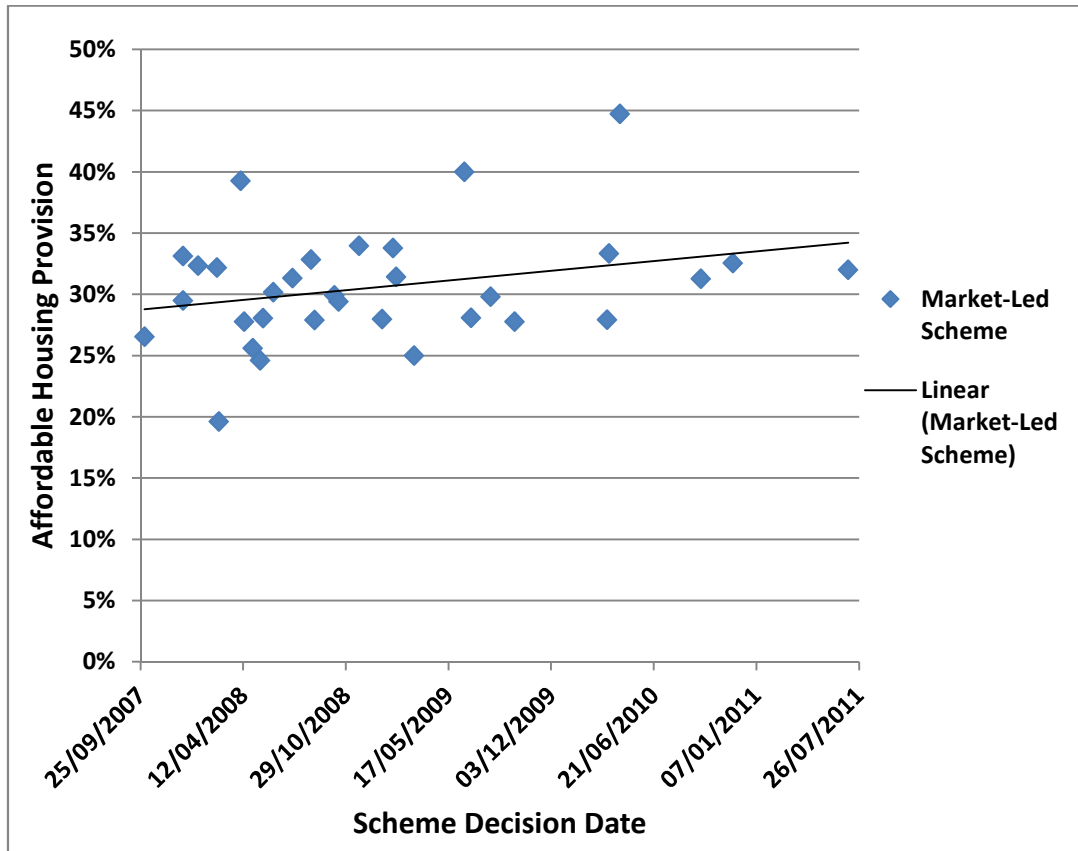


Figure 1: Affordable Housing Delivered through Market-led Schemes

2.5 These figures from the London Development Database are derived from completion certificates and are issued once the *entire* scheme is deemed complete. The Council’s affordable housing figures for completions provide a finer grained monitoring approach and capture the dates of completions of the *individual affordable units* within each scheme. Based on this more detailed measure, **4402** individual affordable housing units were delivered (May 2007 to December 2012) of which 36% were intermediate and the remainder social or affordable rent tenure.

3. Financial Receipts - Planning obligations

3.1 The London Plan (2011) establishes priorities for planning obligation in Policy 8.2 which states: “*Affordable housing; supporting the funding of Crossrail where this is appropriate (see Policy 6.5); and other public transport improvements should be given the highest importance. Where it is appropriate to seek a Crossrail contribution in accordance with Policy 6.5, this should generally be given higher priority than other public transport improvements*”. The London Plan in policy 8.2 **also** requires that importance is given to “*tackling climate change, learning and skills, health facilities and services, childcare provisions and the provision of small shops*”.

3.2 Tower Hamlets Core Strategy (2010) Policy SP13 identifies priorities for planning obligations in Tower Hamlets as: affordable housing; sustainable transport; publicly accessible open space; education; health; training, employment and enterprise; biodiversity enhancements; community facilities highway works; public realm and

public art.

- 3.3 Securing this range of supporting infrastructure is essential to ensuring that the high level of growth in Tower Hamlets is sustainable. To support this, the Council adopted a Planning Obligations Supplementary Planning Document (SPD) January 2012. The Planning Obligations SPD operates alongside the Mayor of London's Crossrail Section 106 SPG. The Planning Obligations SPD includes standard obligations and charges and includes standards tariffs. In addition to these planning obligations Section 106 agreements may also secure works or other financial contributions such as for highways works that will be specific to the site and form of development. The provisions in the Planning Obligations SPD (2012) relate to major commercial (1,000 sq. m or more) or residential development (10 or more units). Developments that are below this threshold are not typically subject to planning obligations and where they are this tends to be limited to ensuring a development is car free.
- 3.4 The Council has *secured*¹ a total of 11 separate contributions to the combined value of **£6,209,192** since the Crossrail SPG was adopted in 2010 representing between **17%** and **100%** of the Indicative Crossrail contributions set out in the Crossrail SPG. A further **£107,909,520** was secured prior to the adoption of the Crossrail SPG; including £100,000,000 from the scheme at Wood Wharf (PA/08/01215).
- 3.5 Table 4 shows that the Council received² an average of **£11,151,000** in planning contributions per financial year in total.

Table 4: Section 106 Contributions Received – 2008/9 to 2011/12

Year	§106 received
2008/09	£9,243,000
2009/10	£9,186,000
2010/11	£10,660,000
2011/12	£15,515,000
Average	£11,151,000

4. Conclusions

- 4.1 The London Development Database identifies the delivery of 38% affordable housing units between April 2007 and December 2012. The total Section 106 financial contributions received for the period 2007/8 - 2011/12 has been £11 million per annum, on average.

¹ **Secured:** Signed Section 106 agreement/ unilateral undertaking to 'secure' the money; this does not mean monies received as scheme may not implemented.

² **Received:** Contribution secured through Section 106 Agreements or unilateral undertaking *and* paid / available for expenditure.