

# ELEPHANT AND CASTLE REGENERATION

-

## SOME FACTS ABOUT THE FUTURE ...

*“Clearly, the current level of affordable housing provision – and particularly social housing – is not meeting identified needs.”*

London Housing Strategy 2005-2016



*“The affordable housing capacity need exceeds the affordable housing capacity and cannot be met within the borough in the immediate future”*  
Southwark Draft Affordable Housing Supplementary Planning Guidance

Taking advantage of its ideal location, close to the city centre, and its excellent transport accessibility, the local authority wants to carry on an important development of the Elephant and Castle area. Their ambition is to “create a place to travel to, not through”, a “thriving and successful place to live and work”<sup>1</sup>. This £1.5 billion regeneration, meant to be completed in 2014, addresses many different issues such as housing, shops, leisure activities, transport, and open spaces.

**THIS REGENERATION WILL BE ONE OF THE MOST IMPORTANT SCHEMES IN LONDON IN THE NEXT TEN YEARS. IT WILL DEEPLY IMPACT ON LOCAL COUNCIL TENANTS, EVEN MORE WITH THE ONGOING AGENDA AIMING AT GETTING HOUSING MANAGEMENT AWAY FROM COUNCILS AND THUS BREAKING UP COUNCIL HOUSING. TENANTS MUST GET INVOLVED IN MAJOR URBAN PROJECTS LIKE THIS ONE AND ENSURE THEIR VOICE IS HEARD.**

The London Tenants Federation is looking forward to engaging with this. This piece of work, mainly research-based, takes a look at what is happening in the Elephant and Castle and provides with information about housing issues. It will be completed with local tenants’ views in a future report which will investigate housing needs, tenants’ knowledge and involvement – including a specific focus on Black and Minority Ethnic. This paper is meant to be of any help to both Elephant and Castle active community members and London wide activists.

**WE BELIEVE SHARING INFORMATION AND KNOWING ABOUT OTHER SITES DEVELOPMENTS IS A STEP TOWARDS A STRONGER TENANTS MOVEMENT IN LONDON.**

---

<sup>1</sup> Elephant and Castle development website, <http://www.into.org.uk/elephantandcastle/>

## WHAT'S IN IT FOR THE ELEPHANT AND CASTLE? (according to Local Authority)

- The shopping centre and the 1,212 homes Heygate estate will be demolished.
- A new high street extension of Walworth Road will increase massively the amount of retail opportunities with up to 75,000 m<sup>2</sup> of retail and leisure uses.
- 5,200 new jobs will be created and office space developed.
- An improved living environment will propose several new open spaces, including a new market space and a civic square on the actual northern roundabout, and an enhanced St Mary's Churchyard.
- Transport will be improved through priority to public transport – including two potential tram routes – and pedestrian travels and diminution of car presence.
- 5,300 new and replacement mixed homes will be provided.
- Two tall buildings as landmarks for the area will be constructed.

The development concerns a core area of opportunity of approximately 25 hectares plus a wider regeneration area and four regeneration clusters, “focuses for future environmental, streetscape and greenspace improvement works”, where early housing sites for relocating the Heygate residents have been identified.

## HOUSING NEEDS: THE SURVEYS SAY

In November 2004, Southwark Council published a document entitled “Housing needs in Southwark 2004”. It provides a certain amount of figures and facts that will “underpin [Southwark] new housing strategy”. It should be the “framework for the council and its partners (...) to meet the housing needs of residents”. Here are some of the major facts in it.

- According to Indices of Deprivation in 2004, Southwark is the 12<sup>th</sup> most deprived borough in England, the 6<sup>th</sup> most deprived in London. Elephant & Castle is within the 10 % most deprived areas of the country. These indices are based upon scores in different domains. In Southwark, the worst category is “Barriers to housing and services” with only one area not falling in the 20% most deprived areas.
- The rate of new build affordable housing has not kept pace with the number of sales under right to buy. Since the right to buy was introduced Southwark Council's stock level has fallen to 46,043 in September 2003, a decrease of 14,080, mostly due to right to buy sales.
- There is a considerable shortage of affordable housing in Southwark: 1,937 affordable homes per annum over the next five years. Affordable housing shortfall is the largest housing shortfall of the borough. The survey also shows that in practice the vast majority of housing needs within the borough can only be met through provision of social housing rather than intermediate housing. The figures also say that as a result of

regeneration schemes the council stock level will reduce and will be only partly made up for in new build housing association housing.

- In 2003, 44% of all Council dwellings didn't meet Decent Homes Standards.
- 18.2% of all households are currently living in accommodation unsuitable with their needs, Black and Minority Ethnic (BME) being more likely to live in unsuitable housing, especially Black Africans. 9.2% of households live in overcrowded dwellings, with Council housing having the higher concentration of overcrowding (13.3%), higher than the average figure for London. Black households face overcrowding more frequently.
- The major need in social housing is of homes with three-bedrooms and more.
- The proportion of BME in the Elephant and Castle area is higher than it is in the whole borough: 43 % for the Elephant and Castle, 37 % for Southwark.
- The largest average household size is for Black Africans and Asians

## **ER ... AFFORDABILITY?**

It is never clear what is affordable housing. To be more accurate, what is never clearly defined is: what are the maximum costs – rents and service charges – for affordable housing? We know it is a combination of social rented housing and intermediate housing. The ambiguity lies in the intermediate housing.

Council tenants	RSL Tenants	Private Tenants	Owner occupants (with mortgage)	All Southwark Households
£9,329	£11,188	£22,943	£32,026	£17,599

Average net annual household incomes (excluding housing benefit)<sup>2</sup>

According to the London Plan, Unitary Development Plans (UDP) policies must define affordable housing to meet the needs of households whose incomes are not sufficient to allow them access to decent and appropriate housing in their borough. For the Southwark Draft Affordable Housing Supplementary Planning Guidance (SPG), affordable housing is for “households who can't otherwise afford the cheapest dwelling of the right size”, i.e. can't rent or buy from the private sector. Other organisations indicate that an affordable rent should not represent more than 30% of households' net incomes, excluding benefits.

The Great London Authority (GLA) SPG for Affordable Housing also speaks of 30%, but only for social housing: households with annual incomes under £15,000 should afford social

---

<sup>2</sup> Figures in the table are from “Housing needs in Southwark 2004”.

housing, with rental costs not exceeding 30% of net household income. As for intermediate housing, costs should be affordable for households in the annual household income range of £15000 to £40000 (as at October 2003). Rents shouldn't be over 40% of net household income. Private market housing meeting these criteria will be regarded as intermediate, as well as Low Cost Home Ownership (LCHO) such as shared-ownership and submarket rent housing like key workers homes. The SPG underline that, concretely, intermediate housing should be affordable for incomes of £27,500, which is the midpoint of the range.

Council housing	RSL Housing
£59.34	£64.49

Average social rents in Southwark in 2003 (per week)<sup>3</sup>

Other researches show that costs for RSL tenants are actually higher than shown on the table. This figure expresses the net rent in RSL housing for 2002/2003, not including service charges<sup>4</sup>. Dataspring.org.uk indicates that, for 2003/2004, council rents are £59.34 per week and RSL rents £ 75.05, both including services charges. Whatsoever, it is interesting to note that with the Council figures Registered Social Landlords (RSL) Tenants spend 30% and Council tenants 33 % of their income on housing costs. Thus, if we agree with the definition given in Southwark Housing Needs survey, social housing is barely social.

With the rent restructuring agenda going on, rents will increase faster than incomes in the next years. In 2011-2012, council rents in Southwark will be 41.8% to 47.4% higher, reaching £88.28 to £91.75 a week, depending on what option is eventually chosen by the ODPM<sup>5</sup>. Therefore, council tenants will depend on housing benefit even more. In March 2004, 55% of council tenants were already receiving it.

The minimum cost of private renting range from £568 to £1000 per month. If we take the lowest figure (1 bedroom) and compare it to the average net incomes for council housing households, approximately 73% of income would end up spent on rent. With the average net annual income of all households in Southwark, it goes down to 39%. Private renting is not affordable for most Southwark tenants, even less for council tenants.

Property size	Minimum price	Average price
1 bedroom	£568	£692
2 bedrooms	£748	£833
3 bedrooms	£875	£1,000
4 bedrooms	£1,000	£1,233

Minimum and average private rents in Southwark (as of April 2003, per month)

<sup>3</sup> See note 2

<sup>4</sup> See [www.dataspring.org.uk](http://www.dataspring.org.uk), the University of Cambridge Centre for Housing and Planning Research database.

<sup>5</sup> London Tenants Federation, *Newsletter, Issue 5*, summer 2005.

In fact, the 2003 Housing Survey made by Fordham Research for Southwark Council<sup>6</sup>, which is the basis of “Housing needs in Southwark 2004”, shows that classical recognised forms of intermediate housing, low cost market housing and shared ownership, would be affordable for only 3.8% of people in housing need, all of it through shared ownership. That means that unless new kinds of intermediate housing, significantly below usual costs levels, are proposed, 96.2% of housing needs could only be met through social housing.

All these evidences are inside the Housing needs survey. As it is supposed to be the base for the Council housing strategy, we would expect this strategy to look forward providing an important amount of affordable housing, with social housing being a great majority of it. This should be particularly true in the Elephant and Castle.

## NOW WHAT DO PLANNING DOCUMENTS SAY?

HOUSING IN THE LONDON PLAN HOUSING IN THE LONDON PLAN HOUSING IN THE LONDON PLAN

All strategies and planning frameworks in Southwark must be in keeping with those of the Greater London Authority. The main one is the London Plan, released at the beginning of last year. The London Plan is completed by series of Draft Sub Regional Development Framework (SRDF) made recently available. These SRDF are going through public consultation. The one concerning the Elephant and Castle is the SRDF for Central London. In addition, there as been a proposal for an alteration of the London Plan this summer regarding housing provision, after a Draft SPG about this was published last December. The new targets are still under discussion but will probably be included in the London Plan in the months to come.

Originally, the London Plan stated that Southwark had to provide 29,530 between 1997 and 2016. An annual target of 1,480 had been set. This was reviewed and new targets should be + 16,625 over the next ten years, which means an annual 1,625 additional homes each year.

Regarding affordable housing, the Plan wants Councils to have 50% of new dwellings affordable, with 70% of it being social and 30% intermediate. The Affordable Housing SPG indicates however that different reasons may justify that the part of affordable housing be over 50%. Among these reasons is the case that “a lower target would be insufficient to meet unmet and projected needs for affordable housing”. But on the other hand, it also states that “providing higher levels of intermediate housing would achieve mixed and balanced communities.

This is a contradiction we often come across in planning documents. For example, the Elephant and Castle area is identified as a zone suitable for a more compact development, a denser city shape providing an important part of future needs in housing and office space. In the same time, the SPG indicates that “high density could not be suitable for needs of households with children”, that is to say for 3 or more bedrooms units. Southwark first need is of social housing and 3+ bedrooms units, it is all the more so true in Elephant and Castle with a higher percentage of BME living in the area.

---

<sup>6</sup> London Borough of Southwark, *2003 Housing Survey, Final Report*, March 2004

## OPPORTUNITY AREAS

In the London Plan, the Elephant and Castle is an Opportunity Area (O.A.). Opportunity Areas are “London’s few opportunities for accommodating large scale development to provide substantial numbers of new employment and housing, each typically more than 5,000 jobs and/or 2,500 homes, with a mixed and intensive use of land and assisted by good public transport accessibility”<sup>7</sup>. Elephant and Castle O.A. is identified in the SRDF appendices with a map stating the boundaries of the area, jobs and housing targets (4,200 each), strategic objectives, key issues, utility infrastructure issues, current status and indicative phasing. On the overall, it is not very constraining, as it only gives some global outlines for the future development: “suitable long term needs for extra office space and for tall buildings”, “significant increase in housing”, “more efficient transports interchange”, “environmental and traffic management improvements”<sup>8</sup>. Concerning housing, the key issue is “securing an appropriate public/private housing mix and the redevelopment of Heygate Estate”. The boundaries given for the area are indicative, and indeed they’re not the same as shown in the Elephant and Castle development framework.

## SOUTHWARK UNITARY DEVELOPMENT PLAN

The Draft Southwark UDP, due to be adopted July 2006, states its strategic objective regarding housing is to achieve an additional 1,500 homes a year to meet the target set in the London Plan of 29,530 homes by 2016. The targets having raised lately, this should change. It acknowledges that there is an annual requirement for 1,937 units of affordable housing. But “this exceeds the overall housing target”. Therefore, “the highest level of affordable housing must be sought from the maximum number of developments”<sup>9</sup>.

Eventually, in accordance with the London Plan, Southwark planning documents set a target of achieving 50% all new housing as affordable. This would mean an annual 812.5 affordable units each year for the next ten years, which would represent approximately 42 % of the borough needs. Moreover, the mix between social housing and intermediate housing will be, for the whole borough, 70:30. Social housing targets then goes 569 per year. Given that, according to the housing needs survey, the shortage of affordable housing should massively be responded through social housing rather than intermediate housing, it eventually means that Southwark targets cover 29 % of the real needs in affordable housing.

## WHAT HOUSING IN THE 2014 ELEPHANT AND CASTLE?

There are two main sections concerning housing in the Elephant and Castle project: the first one is the provision of new housing; the other is the re-housing of Heygate residents.

<sup>7</sup> Glossary, London Plan, 2004

<sup>8</sup> SRDF Central London, 2005

<sup>9</sup> Southwark Council Draft SPG for Affordable Housing, November 2004

NEW HOUSING

There is a target for 4,200 new dwellings to be completed within the core area of opportunity and the wider regeneration area. It is confusing noticing that the Development Framework states this target is to be reached in 2018, which is four years after the completion of the regeneration. It could lead to less new dwellings constructed by the time the plan is over.

NEW HOUSING

The dwellings must include a wide range of sizes and tenures and be high quality. Southwark emerging UDP states that 35 % only of all new private housing developments over 15 units need to be affordable. Development of 14 and less will be asked a payment in lieu. First works on new housing should start in 2006. So, in a 12-years time, a maximum of 1470 affordable units will be built, i.e. 122.5 per annum. However, Elephant and Castle Development Framework also says “precise levels of affordable housing to be provided as part of any redevelopment proposal will thus be subject to negotiation on a site by site basis”<sup>10</sup>. Therefore, there is no certainty whether all developments will include that much affordable housing. In addition, the mix between social and intermediate housing changes too for the Elephant and Castle area goes down to fifty-fifty. It means only 17.5% of new homes will be social housing. In figures, this is 735 for the area, 61 a year.

NEW HOUSING

Why is the Elephant and Castle proportion of affordable housing reduced to 35 %? In all GLA planning strategies is the will to achieve mixed use development and balanced communities. Southwark Council believes there is an imbalance in the area with social housing being overrepresented. It is therefore necessary to build more private housing and less affordable housing. This is also why intermediate housing rate has been increased. Obviously, the possibility of higher profits for the Council, which has realised how much the area is attractive for private developers, has a lot to do with that decision. But once again there’s a contradiction here: according to Southwark Draft SPG for Affordable Housing, affordable homes proportion depends on land value and high value makes it easier to have more affordable housing. Should we understand land value in the Elephant and Castle is low?

TENANTS RELOCATION

1,212-council-units Heygate Estate will be demolished. The Council has decided 1,100 homes will be provided for future accommodation of its residents. In order to make this, 18 early mixed housing sites are identified in the Development framework as potential sites, but we usually talk of 15 sites because some are very close and will be considered as a whole. They are mainly located in the wider regeneration area or farther and will be designed and developed (by Housing Associations) separately. 5 other sites will hold private developments with 30 % affordable housing for Heygate tenants.

In fact, it is not sure 1,100 social homes will be built. The Development Framework actually never speaks of 1,100 units. It just ensures residents will be given solutions for a new house. Part of the estate is empty, since people have been regularly moving away over the last years, because of poor living conditions following Council decreasing investments in the Heygate. Recent figures from the Council speak of 270 void homes. There is no clue that these voluntary departures stop in the months to come. Some of the void homes, 240 according to the Council, are being used for

<sup>10</sup> Elephant and Castle Development framework, Southwark Council, 2004, p. 38

temporary accommodation. These residents don't have secure tenancy and are just waiting for another home. Both figures are much probably under-estimated.

Eventually, there are not 1,100 households in the Heygate concerned with the re-housing. Tenants have been given two options, either moving to new build Housing Associations homes or moving to another Council home. However, the Council has made everything possible to ensure tenants chose the Housing Association solution.

### WHAT'S BEEN HAPPENING RECENTLY ... AND HOW THINGS ARE NEVER WHAT THEY SEEM

The Council is currently seeking business partners to provide investment. A shortlist of two or three developers will be selected in Autumn 2005 with final selection expected by the end of the year. The development framework will move into in Area Action Plan to give further details.

Two key housing schemes have been already approved by Southwark in February 2005 and two Housing Associations consortia chosen to develop these first 1000 homes, over 15 sites, 70% of which will be social housing, the rest available for sale and shared ownership. They will relocate Heygate residents, starting next year. For some reason, the 1,100 homes figure for re-housing has turned into 1,000.

One of the sites, Wansey Street, has actually started. After negotiations with the developer, an agreement on only 55% affordable housing has been set – which means even lower level of social housing. The Council explained it was impossible to find enough funding for development with more affordable housing.

Now it is highly justified to wonder about the level of social housing in the forthcoming developments!

### TO BE CONTINUED ...

This paper was thought of as a starting point for a more important report. Further information will be gathered though interviews and talks with local community members in Elephant and Castle and people involved in housing issues. These interviews aim at getting a better picture of what is tenants' position towards the regeneration. This includes investigating their expectations, their understanding of the development and their opinion of what's being proposed, with obviously special emphasis on housing. Another issue the interviews will target is consultation, ranging from access to information to involvement in policy making and actual achievements.

We've decided to have a specific insight in BME issues. In one of the poorest areas in a poor borough, this is of great concern. These groups are more likely to be socially excluded and therefore suffer from the regeneration when it should be a means to help them. In the Elephant and Castle, BME represent 43% of the area population, which is more than the average figure for Southwark. According to the April 2001 Census, this would equal to approximately 4,300 people. Outside Black English, the main communities are Somalis, Bangladeshis and South Americans (who are a specific issue as they're not a recognized group and not addressed that way). Interviews with local BME community groups will provide information on their relation with the regeneration and their involvement in it, especially through tenants associations.

All the information gathered will be eventually used in a report which will be useful to London activists or tenants interested in getting involved in urban regeneration. Another possible use for it is sharing with tenants organisations of other European countries and contribute to develop the emerging campaigning network on tenants' rights, social housing policies and fight against privatization across Europe. We hope both local and European activists, as well as the London Tenants Federation, will be reinforced with this work and will be able to deal more efficiently with big urban schemes affecting social housing.