

THE BERMONDSEY PROJECT: THE BISCUIT FACTORY AND BERMONDSEY CAMPUS SITES

AFFORDABLE HOUSING STATEMENT

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On behalf of Southwark GP Nominee 1 Ltd and Southwark GP Nominee 2 Ltd

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1 INTRODUCTION

- 1.1 This Affordable Housing Statement (AHS) has been prepared by DS2 to accompany the Masterplan planning application being submitted by the Applicant Southwark GP Nominee 1 Limited and Southwark GP Nominee 2 Limited, hereafter referred to as Grosvenor Britain and Ireland ('Grosvenor').
- 1.2 The submission of the Masterplan Application follows discussions with a wide range of stakeholders and statutory consultees, including planning, housing and design teams at the London Borough of Southwark ('the Council'), and the Greater London Authority ('GLA').
- 1.3 A full description of the Proposed Development for the Site is contained within the Planning Statement and Design and Access Statement (DAS) submitted with the Masterplan Application. A summary of the Proposed Development for the Site is provided below.

The Proposed Development

- 1.4 Grosvenor is investing in Bermondsey to deliver up to 1,343 new homes for rent as part of an active mixed-use neighbourhood that is physically, socially and economically integrated to Bermondsey.
- 1.5 The scale of investment combined with Grosvenor's long-term approach will revitalise the neighbourhood, encourage enterprise and re-establish Bermondsey as a thriving economic hub in Southwark. Grosvenor's plans will deliver homes, a new school, jobs, amenities and opportunities for local people.
- 1.6 The Site is 5.4 hectares comprised of the former Peek Frean Biscuit Factory site ('Biscuit Factory') and the former Lewisham and Southwark College site ('Bermondsey Campus') located in Bermondsey in the London Borough of Southwark ('LBS').



The Masterplan Application

1.7 The Masterplan Application is the hybrid planning application for the Proposed Development on the Site comprising the Detailed Component and the Outline Component as follows:

"A hybrid planning application comprising:

Full planning permission for demolition, alterations and extension of existing buildings and erection of new buildings comprising a mixed use scheme providing up to 1,218 residential units, up to 3,795 sqm GEA of flexible Class A1/A3/A4 floorspace, up to 12,023 sqm GEA of flexible Class B1/B2, up to 922 sqm GEA of flexible Class D1/D2 and up to 3,882 sqm GEA of multi-use floorspace (A1/A3/A4/D1) within Building BF-F, a new secondary school, in buildings ranging from 4 to 28 storeys in height as well as the creation of a single storey basement. The development also includes communal amenity space, landscaping, children's play space, car and cycle parking, installation of plant, new pedestrian, vehicular and servicing routes, the creation of two new pedestrian routes through the Railway Arches and other associated works; and

Outline planning permission (with all matters reserved) for the part demolition and part retention of existing buildings and erection of two new buildings comprising a mixed-use scheme providing up to 125 residential units and up to 781 sqm GEA of flexible A1/A3/A4/D1/Sui Generis Uses and other associated works"

- 1.8 The Detailed Component includes the following parts of the Masterplan Application:
 - The School Building BC-6;
 - Buildings on the Biscuit Factory BF-D, BF-E, BF-F, BF-R, BF-S, BF-T, BF-Q, BF-O, BF-P, BF-W;
 - Buildings on the Bermondsey Campus BC-1234 and BC-5;
 - Landscaping within the Detailed Component extent; and
 - Two pedestrian routes through the arches.

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- 1.9 The Outline Component includes the following parts of the Masterplan Application, with all matters reserved:
 - Buildings BF-U and BF-V
 - Landscaping within the Outline Component extent.

Build to Rent

- 1.10 Grosvenor intends to deliver and manage all 1,343 new homes in the development for rent as "Build to Rent" (BTR) homes.
- 1.11 The intention is to attract occupants from a wide cross section of the community with an emphasis on local people. The units will range in size from studios to three bedrooms. Rental levels (inclusive of service charge) will be at a competitive market rate and some of the units will be available at a discount market rent (DMR). The precise number of DMR units will be dependent upon the overall assessment of the viability of the Proposed Development and the level of discount to rental levels. The current intention is to build a scheme which allows for 27.5% of the habitable rooms at an average 25% discount to market rent to be made as DMR (Grosvenor's Offer). This is explained in more detail in section 4 and 5 of this Statement.
- 1.12 Central Government fully appreciates and supports the need for planning policy to actively promote and encourage BTR development including reflecting the distinct economic model for BTR housing with any affordable housing component being offered as DMR.
- 1.13 In its consultation paper 'Planning and Affordable Housing for Build to Rent' (2017) the Government has proposed new policy measures to provide additional policy support for BTR, including changing the NPPF so that local authorities are required to proactively plan for BTR where there is a need, and to make it easier for Build to Rent developments to offer "affordable private rent" homes, rather than other types of affordable housing. The paper acknowledges the need to attract major institutional investment in new large-scale housing which is purpose-built for market rent.

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- 1.14 Central Government's strategic support is broadly reflected in the London Plan and BTR section of the Mayor's recently adopted Affordable Housing and Financial Viability SPG (the SPG) which appreciates the distinct economics of BTR housing and the major contribution that it can make towards housing delivery across London.
- 1.15 In relation to BTR, London Plan Policy 3.8 states that the planning system should provide positive and practical support to sustain the contribution of the Private Rented Sector in addressing housing needs and increasing housing delivery. In contrast to private market sale housing the SPG states that DMR provision should be based upon the specific economic model of BTR, rather than specifically seeking a threshold target of 35%.
- 1.16 With respect to BTR, the Mayor states in the SPG that he and the Government support the provision of more high quality private rented homes. It is acknowledged in the SPG that BTR developments offer a number of benefits which the traditional 'for sale' sector cannot. Benefits include (but are not limited to) being more attractive to long-term institutional investors, being less prone to 'absorption rates' which can slow build-out rates on 'for sale' properties and ensuring commitment to and investment in place-making through single ownership.
- 1.17 The SPG was adopted in August 2017. It had been subject to extensive consultation. The final version of the SPG contains a detailed chapter on BTR which sets out the approach to testing viability and contains other measures which are designed to ensure that BTR is of a high quality, well managed, let on terms which provide occupants with a degree of certainty about the length of their tenancies and controls future increases in rent. It also contains advice on clawback arrangements and requires any affordable housing element to be made available in perpetuity. Grosvenor has given very careful consideration to the advice contained within the SPG and has sought to adhere to the terms of this recently adopted guidance.
- 1.18 Within the emerging New Southwark Plan, there is support for the delivery of new BTR housing. It is recognised that BTR housing can meet the needs of residents who cannot afford to or do not want to buy private homes in Southwark.



1.19 Grosvenor's Offer meets with national, regional and local adopted planning policy on such matters. It specifically complies with the SPG. It is in general accord with LBS's emerging policy, albeit the DMR is less than the policy aspiration of 35% because the scheme viability for the Proposed Development would not support this figure. Further detail is provided within the DS2 Financial Viability Assessment (FVA) which has been submitted to the Council as part of the Masterplan Application.

Affordable Housing

- 1.20 Grosvenor's Offer in respect of affordable housing proposed represents 27.5% of the total number of habitable rooms. The affordable housing will be delivered entirely as DMR, an intermediate tenure, with the homes available on an average 25% discount to market rent basis. This is in accordance with the affordable housing definitions as contained within Annex 2 of the National Planning Policy Framework, and accords with the SPG, and the policy aspirations of the Council's emerging New Southwark Plan.
- 1.21 The approach to affordable housing on the Site seeks to maximise the overall subsidy (percentage and corresponding quantum) that can be delivered. Grosvenor intends to retain ownership of the Site and the Proposed Development and will be responsible for the management of both the DMR units and the units let at market rent.
- 1.22 The single ownership means that the affordable housing can be fully integrated into the Proposed Development which will be tenure blind.
- 1.23 All residents will share the same amenities and entrances and receive the same on-site services, without the restrictions which arise elsewhere for affordable housing residents due to disparate landlords and service charge constraints.
- 1.24 The proposed discounted rental levels are proposed to be inclusive of service charges (excluding utilities and council tax).
- 1.25 Delivering affordable homes as DMR seeks to deliver affordable housing to a broad range of households and improve housing diversity and choice in London.



1.26 This Statement explains the residential element of the Proposed Development in more detail, identifies and assesses the planning policy context, explains the process undertaken to assess scheme viability and then explains Grosvenor's Offer and the proposed DMR affordable housing and how this will be delivered and managed to ensure that an agreed percentage of the habitable rooms to be built are made available to local people at a discounted rate.





2 THE PROPOSED DEVELOPMENT

2.2 A detailed description of the Site and its surroundings is contained within the Planning Statement. A summary is therefore provided below.

Location and Existing Use

- 2.3 The Site is located within the administrative boundary of LBS, in Bermondsey, within the Riverside ward.
- 2.4 The Site is 5.4 hectares comprised of the former Peek Frean Biscuit Factory site (the "Biscuit Factory") and the former Lewisham and Southwark College site (the "Bermondsey Campus").
- 2.5 The Biscuit Factory and Bermondsey Campus are situated to the south and north of Clements Road, respectively. For the purpose of the Masterplan Application, the two sites are considered as one site ("the Site").

Proposed Development

- 2.6 The Masterplan Application is the hybrid planning application for the Proposed Development on the Site comprising the Detailed Component and the Outline Component.
- 2.7 In total, the Proposed Development comprises up to 1,343 residential units and 25,398 sqm (273,382 sqft) GIA commercial floorspace. The residential, commercial, and ancillary uses will be arranged within 11 buildings ranging from 4 to 28 storeys in height.



2.8 A summary of the Proposed Development uses and areas is provided in Table 1 below:

TABLE 1: PROPOSED DEVELOPMENT USES AND FLOORSPACE						
Use Class	GIA (sqm)	GIA (sqft)	NIA (sqm)	NIA (sqft)		
Residential (C3)	131,983	1,420,652	87,542	942,293		
Retail (A1)	3,621	38,976	2,997	32,260		
Retail (A3/A4)	3,844	41,376	3,157	33,982		
Office (B1)	10,738	115,583	8,002	86,133		
Business (B1/B2)	683	7,352	554	5,963		
Community/Local (D1/D2)	6,368	68,545	4,668	50,246		
Sui Generis	144	1,550	125	1,345		
TOTAL	157,381	1,694,033	107,045	1,152,222		

Residential

- 2.9 The Proposed Development will provide up to 1,343 residential units, comprising a mix of studio, one-, two-, and three -bedroom apartments.
- 2.10 A summary of the proposed unit mix is provided in Table 2 below:

TABLE 2: TOTAL PROPOSED RESIDENTIAL UNIT MIX						
	No. Units	NIA (sqft)	Hab. Rooms	% Units	% NIA	% Hab. Rooms
Studio	150	73,564	150	11%	8%	4%
1 Bed	499	289,553	998	37%	31%	28%
2 Bed	526	407,598	1,578	39%	43%	44%
3 Bed	168	171,570	840	13%	18%	24%
TOTAL	1,343	942,285	3,566			

2.11 All residential units have been designed in accordance with the Nationally Described Space Standards, including the London Plan size standards, and meet the minimum unit sizes. The smallest studio apartment measures 38 sqm (409 sqft) NIA. In addition, 134 units equating to 10% have been designed to be wheelchair adaptable in accordance with Building Control regulations part M4(3).



2.12 Grosvenor intends to retain and manage the residential elements of the Proposed Development.

Build to Rent and Discount Market Rent

- 2.13 Grosvenor's Offer proposes a Build to Rent scheme which will include a proportion of DMR.
- 2.14 The proposed DMR provision equates to 27.5% affordable housing by habitable rooms at an average 25% discount to market rent.
- 2.15 Table 3 below summarises the proposed market BTR unit mix:

TABLE 3: PROPOSED BTR UNIT MIX						
	No. Units	Total NIA (sqft)	Hab. Rooms	% Units	% NIA	% Hab. Rooms
Studio	150	73,564	150	15%	11%	6%
1 Bed	381	221,742	762	37%	32%	29%
2 Bed	386	297,974	1,158	38%	43%	45%
3 Bed	104	105,726	520	10%	15%	20%
TOTAL	1,021	699,006	2,590			

2.16 Table 4 below summarises the proposed DMR unit mix:

TABLE 4: PROPOSED DMR UNIT MIX						
	No. Units	Total NIA (sqft)	Habitable Rooms	% Units	% NIA	% Hab. Rooms
1 Bed	118	67,811	236	37%	28%	24%
2 Bed	140	109,624	420	43%	45%	43%
3 Bed	64	65,844	320	20%	27%	33%
TOTAL	322	243,279	976			27.5%

2.17 It should be noted that none of the studio accommodation to be provided as part of the Proposed Development will be DMR.



3 PLANNING POLICY CONTEXT

National

- 3.1 Central Government through changes to the NPPF, PPG and separate White Paper, are actively encouraging the delivery of BTR housing in order to facilitate high quality purpose built accessible rented housing for all.
- 3.2 The Government Guidance and changes to the NPPF definition of affordable housing explicitly recognise the specific economics of BTR housing and that the affordable component should be provided as DMR housing, rather than more traditional affordable housing.

Regional

- 3.3 Housing provision is a key priority of the London Plan, and policy 3.3 sets an annual housing target for the city of 42,000 net additional homes. It was noted by the Inspector at Independent Examination that the housing targets were short of what is necessary to address the housing crisis in London.
- 3.4 Table 3.1 of the London Plan subsequently sets out housing targets for each borough for the period 2015-2025. The annual average housing supply monitoring target for Southwark is 2,736 units (the second highest in London).
- 3.5 London Plan Policy 3.8 relates to housing choice. It states that Londoners should have a genuine choice of homes that they can afford and which meet their requirements for different sizes and types of dwellings in the highest quality environments. The policy states that taking account of the housing requirements at all levels, Boroughs should ensure that new developments offer a range of housing choices, in terms of the mix of housing sizes and types, taking account of the housing requirements of different groups and the changing roles of different sectors in meeting these.

- 3.6 In relation to BTR, Policy 3.8 also states that the planning system should provide positive and practical support to sustain the contribution of the Private Rented Sector in addressing housing needs and increasing housing delivery.
- 3.7 With respect to BTR housing, the Mayor states in the SPG that he and the Government support the provision of more high quality private rented homes. It is acknowledged in the SPG that BTR developments offer a number of benefits which the traditional 'for sale' sector cannot such as: being more attractive to long-term, institutional investors; being less prone to 'absorption rates' which can slow build-out rates on 'for sale' properties; ensuring a commitment to, and investment in, place-making through single ownership.
- 3.8 The SPG states that to qualify for this different model, BTR should be covenanted for a period of 15 years and suitable management arrangements provided.
- 3.9 Unlike traditional housing for sale, the SPG does not require 35% affordable housing provision for BTR schemes but instead recognises that the level of affordable housing provision should be based upon economic viability to demonstrate that the provision is the maximum reasonable in accordance with London Plan policy 3.12.
- 3.10 London Plan policy 3.12 states that residential proposals must deliver the maximum reasonable quantum of affordable housing having regard to site circumstances, the availability of grant and other material considerations.

Local

- 3.11 Within the emerging New Southwark Plan, there is support for the delivery of new BTR housing. It is recognised that BTR housing can meet the needs of residents who cannot afford to or do not want to buy private homes in Southwark. LBS have introduced a draft policy DM4 specifically to address build to rent housing in the Borough and having regard to Central Government and GLA objectives.
- 3.12 The proposed policy (DM4) states that planning permission will be granted for selfcontained, private rented homes where they: provide more than 100 homes; provide a high standard of security and professional on-site management; provide a mix of

unit sizes; meet the same standards of design for build-to-sale homes; are secured in perpetuity for the rental market for a minimum 30 year term; provide tenancies for private renters for a minimum of three years; meet Southwark's private rent standard; and provide at least 35% affordable homes based on three tiers of discount including some at 'social rent' equivalent levels (subject to viability). This is emerging policy and has not yet been subject to any independent examination by an inspector.

Assessment

- 3.13 The Proposed Development will provide up to 1,343 new homes across the Masterplan.
- 3.14 In accordance with Government Guidance, the London Plan and SPG, and Southwark policy, Grosvenor is committed to delivering the maximum reasonable proportion of DMR housing.
- 3.15 Grosvenor's intention is to seek to comply with the guidance contained within the SPG. It will manage and operate the DMR housing which will be tenure blind and distributed across the Proposed Development.
- 3.16 Grosvenor will offer a 15-year covenant in respect of the BTR in accordance with the SPG.
- 3.17 An FVA will be submitted with the Application which considers the full range of costs and values related to the Proposed Development. This includes the delivery of the new school and all of the Section 106 costs and Community Infrastructure Levy requirements associated with a major development of this scale.
- 3.18 The FVA uses both the GLA and LBS's agreed methodology in respect of benchmark land value. The assessment also considers sensitivity testing around the key inputs including growth over a period of time.
- 3.19 The FVA also considers Grosvenor's Offer to deliver 27.5% affordable housing with an average of 25% discount offered from market rents that will be created by the proposed scheme.



3.20 The FVA demonstrates that the affordable housing proposed as part of Grosvenor's Offer exceeds the maximum reasonable level of affordable housing, and the maximum average depth of discount, that can be delivered by the Proposed Development having regard to the key tests set out within London Plan policy 3.12, the SPG and the emerging New Southwark Plan policy DM4.





4 VIABILITY

- 4.1 In accordance with planning policy the amount of affordable housing that can be supported by the proposals will be determined by scheme viability. It should be noted that Grosvenor has made an offer to deliver 27.5% affordable housing at an average discount of 25% to the market rent of the Proposed Development. This is in addition to other benefits and planning gain which will be delivered as part of the Proposed Development.
- 4.2 An FVA will be submitted by DS2 and made available to the Council for independent scrutiny. A summary of the document will also be made public in due course in accordance with the Council's Development Viability SPD.
- 4.3 The FVA has been collated in accordance with planning policy and best practice guidance, including the SPG, RICS Guidance Note, Financial Viability in Planning (94/2012) and DS2's experience in collating such assessments on sites across the capital.
- 4.4 The FVA demonstrates that Grosvenor's Offer exceeds the policy requirement to secure the delivery of the reasonable maximum amount of affordable housing without jeopardising delivery of the overall scheme.



5 AFFORDABLE HOUSING

5.1 This section provides further detail on Grosvenor's Offer in respect of affordable housing. Grosvenor's Offer has been made following extensive discussions with Officers at the Council. There have also been discussions with the GLA and Grosvenor has undertaken extensive community engagement and consultation to obtain a better understanding of local housing need and how the Proposed Development could be used to help meet some of this need.

Intermediate Housing Percentage & Tenure

5.2 Grosvenor's Offer proposes 27.5% affordable housing by habitable room calculation. The affordable housing will be delivered as DMR, an Intermediate housing product supported at local and regional level as the appropriate affordable housing product for BTR schemes.

DMR Rent Levels

- 5.3 Grosvenor's Offer assumes the DMR homes will be delivered at an average of 25% discount from the market rent that will be created within the Proposed Development. This is the maximum average depth of discount that can be supported given the headline DMR quantum.
- 5.4 The 25% average discount will be maintained over the DMR period.
- 5.5 For the purposes of the FVA the discount has been applied evenly across all DMR units, however an alternative approach could be to offer some units at lower discounts whilst allowing some to benefit from higher discounts. Grosvenor is flexible about how this average 25% discount is applied to the DMR (so long as the overall subsidy remains the same) and will discuss this with LBS during the determination period.

DMR Service Charges

5.6 The service charge element on schemes of this nature is often prohibitive and detracts from the policy objectives of achieving a mixed and balanced community where all residents are entitled to access and use the same facilities.



5.7 The proposed DMR rents are inclusive of service charges (but exclusive of utility charges and council tax).

DMR Mix

5.8 The proposed DMR mix is set out in Table 6 below. This includes a range of unit types including one, two and three-bedroom homes.

TABLE 6: PROPOSED DMR MIX					
	Units	% Units			
1 Bed	118	36%			
2 Bed	140	44%			
3 Bed	64	20%			
TOTAL 322 100%					

DMR Term

5.9 Grosvenor's Offer assumes the DMR units are secured for a 90-year period (perpetuity).

DMR Ownership and Management

- 5.10 The DMR units are proposed to be owned and managed by Grosvenor.
- 5.11 Grosvenor intends to meet Southwark's Private Rental Housing Standard comprising the Rental Standard and the Homes Standard in the delivery and management of the Build to Rent and DMR units.

DMR Tenancies

- 5.12 Grosvenor's Offer assumes the following:
 - A three-year Assured Shorthold Tenancy (at the tenant's discretion with a six-month tenant break);

• CPI + 1% inflation linked reviews during tenancy; and

• Provision for tenancies to be renewed at the expiration of the tenancy (subject

to demonstrating compliance with the terms of the tenancy agreement,

eligibility testing and rent rebasing).

Lettings and Nominations

5.13 Grosvenor's Offer assumes that it will administer the letting process.

5.14 Grosvenor intends to house eligible singles, families and sharers in the DMR units and

will facilitate a borough wide marketing campaign to ensure there is a broad

awareness of this accommodation.

5.15 Grosvenor understands that LBS is in the process of setting up an Intermediate

Housing waiting list, and will work with LBS to enable prospective tenants to be

sourced from any such list, based on income eligibility and any other criteria agreed

between parties. The lettings and nominations arrangements will need to recognise

that Grosvenor will need ultimate control over the occupation and management of

the Proposed Development.

Covenants and Clawback

5.16 Grosvenor's Offer assumes that the wider BTR units will be subject to a covenant that

will retain the units in this use for a 15-year period, and that if any units are sold

within this period a clawback mechanism would apply. This is in line with the guidance

contained in the SPG.

DMR Phasing

5.17 Grosvenor's Offer assumes the DMR will be delivered and spread proportionately

across each phase of the Proposed Development.

5.18 Grosvenor proposes to discuss phasing with LBS during the determination period.

Regulated by the RICS

RICS



DMR Review

- 5.19 Grosvenor's Offer includes a post completion, fixed-point viability review mechanism, to be secured through the S106 Agreement.
- 5.20 Grosvenor proposes to discuss the structure of this review with LBS during the determination period.

Summary of DMR Offer

- 5.21 Grosvenor's Offer is as follows:
 - 27.5% by habitable room;
 - 25% average discount from market rent created by the Proposed Development;
 - Flexibility in the how the subsidy is applied to the DMR as long as the overall level of subsidy does not change;
 - 15-year BTR covenant in accordance with the SPG;
 - DMR in perpetuity (90 years);
 - DMR delivered as an Intermediate product;
 - Grosvenor owned and managed housing;
 - Grosvenor administered lettings process; and
 - Three-year tenancies offered.
- 5.22 Grosvenor reserves the right to amend its affordable housing offer should any of the above elements change.

6 SUMMARY

- 6.1 In summary the Proposed Development will deliver much needed housing, including an element of DMR. Grosvenor's Offer in respect of the DMR includes:
 - 6.1.1 27.5% affordable housing on a habitable room basis;
 - 6.1.2 DMR as delivered, an Intermediate housing product, in accordance with national, regional and local policy;
 - 6.1.3 DMR units let at an average of 25% discount from market rent to allow accessibility and affordability to a range of singles, couples and sharers who are ineligible for social housing but can't access market sale or market rented housing;
 - 6.1.4 DMR offered across a range of unit types;
 - 6.1.5 The offer of longer tenancies of up to three years to all DMR tenants, with break clauses that allow the tenant to end the tenancy with a month's notice any time after the first six months;
 - 6.1.6 DMR which is intended to be owned and managed by Grosvenor, ensuring a quality and professional service with a complaints procedure in place and membership of a recognised ombudsman scheme;
 - 6.1.7 No up-front fees of any kind to tenants or prospective tenants, other than deposits (where relevant) and rent-in-advance; and
 - 6.1.8 DMR units integrated within the scheme and delivered tenure blind.
- 6.2 Central Government fully appreciates and supports the need for planning policy to actively promote and encourage BTR development including reflecting the distinct economic model for BTR housing with any affordable housing component being offered as DMR.



- 6.3 The Mayor of London states in the SPG that he and the Government support the provision of more high quality private rented homes. It is acknowledged in the SPG that BTR developments offer a number of benefits which the traditional 'for sale' sector cannot such as; being more attractive to long-term institutional investors, being less prone to 'absorption rates' which can slow build-out rates on 'for sale' properties, ensuring a commitment to, and investment in, place-making through single ownership.
- 6.4 Grosvenor's Offer in respect of affordable housing represents 27.5% of the total number of habitable rooms. The affordable housing will be delivered entirely as DMR, an intermediate tenure, with the homes available on an average 25% discount to market rent basis. This is in accordance with the affordable housing definitions as contained within Annex 2 of the National Planning Policy Framework, and accords with the SPG, and the policy aspirations of the Council's emerging New Southwark Plan.
- 6.5 The FVA demonstrates that Grosvenor's Offer exceeds the policy requirement to secure the delivery of the reasonable maximum amount of affordable housing without jeopardising delivery of the overall scheme.