

PARTICIPANT STATEMENT

RESPONDENT 3237

THE HIGHBURY GROUP ON HOUSING DELIVERY

M17 HOUSING REQUIREMENT

Is the need for 66,000 additional homes per year identified by the Strategic Housing Market Assessment (SHMA) justified and has it been properly calculated for market and affordable housing having regard to national policy and guidance?

Summary of response

The housing needs requirement of 66,000 per annum is an underestimate. This is mainly because the assumption of the timescale to meet the social housing backlog has been amended from the 10-year assumption in the 2008 Plan (and the 20-year assumption in the 2015 Plan) to an assumption that the backlog will only be met over 25 years. As the backlog is primarily in relation to the unmet need for low cost rented homes, this new methodology also depresses the proportion of the 10-year requirement which is for low cost rented housing. In our view the requirement per annum for the 10-year target period is 78,000 a year. If the Government guidance that the backlog should be met over 5 years is followed, the annual target for the first 5 years should be just under 100,000 per annum. This has significant implications in terms of the assumed annual deficit relative to the housing capacity estimate of 65,000 per annum, with significant implications both for the Mayor's 'compact city' assumption and on the impact on development requirements in the wider South East.

Detailed calculations

The new SHMA sets out the housing requirements of London at 66,000 per annum. This contrasts with the two estimates in the 2014 SHMA of 49,000 pa (based on meeting the housing need backlog over 20 years) and 62,000 pa (based on meeting the backlog over 10 years, the assumption used in the 2004 and 2009 SHMAs). It should be noted that the SHMA is based on secondary data as the last London-wide housing needs survey was undertaken before the 2004 SHMA. The new SHMA, while generally applying the same methodology as the 2014 SHMA, also extends the period for meeting the backlog from 20 years to 25 years. The new SHMA concludes that 55,540 additional homes are needed each year to meet household population growth. With a total backlog of 208,621 homes needed, meeting this backlog over 25 years, produces an additional annual requirement of 8,761 giving a total requirement of 64,301. This is then adjusted to recognise the fact that some new homes are left vacant or used as second homes, to give an annual requirement of 65,878 (rounded up in the plan to 66,000). Applying a 20-year backlog clearance approach would take the annual requirement to 67,548; applying a 10-year requirement would take the requirement to 77,879. Previous government guidance was to assume backlog is met over 5 years. If this was applied to London, the annual housing requirement for the first 5 years of the plan would be 98,741, falling to 57,017 in the subsequent 5-year period on the basis that the backlog had been fully cleared in the first five years. It can be seen from these calculations that the housing requirement is determined not just by assumptions as to population growth and an assessment of the growth in new households (which needs to assume average household size required for additional housing) but also

the timescale assumed for meeting the backlog. As the plan's new supply targets are set for 10 years, there is a case for returning to the 2004 Plan assumption that the backlog be met within the plan period, which would give an annual requirement of approximately 78,000 compared with the 66,000 recently estimated. This is significant as given the annual housing target proposed is 65,000, this would increase the annual supply supply/ requirement deficit from 1,000 a year to 12,000 a year – or over the 10-year period from 10,000 households to 120,000 households. This is important in terms of the relationship between London and the Home Counties, for by suppressing the deficit, the Plan implies that London can meet, or be very close to meeting, its housing requirements within the London area, whereas a more consistent methodological approach demonstrates that this is not possible. , It is estimated that there could be an imposed exporting of about 12,000 households from London, which would impact mainly on the Home Counties districts. The SHMA also gives bedroom size requirements: 1 bed 36,335 (55% of total) 2 bed 10,788 (16% of total) 3 bed 8,971 (14% of total) 4 bed and larger 8,783 (15% of total)

This indicates a significant shift from the 2013 SHMA, which had 1 beds as 34% of the total; 2 beds at 18%; 3 beds at 26% and 4 beds and larger at 22%. The proportionate requirement for 3 bed or larger properties appears to have fallen from 48% of the total to only 29%. This is a significant shift which is not fully explained in the SHMA. There would however to be two critical factors a) the disregarding of overcrowding in the private rented sector, and b) the assumption that single people and childless couples included in the housing backlog estimate will not generate additional household members over the next decade.

In particular: a) What weight, if any, should be given to the revised household projections published in September 2018?

We support the Mayor in disregarding the revised household projections. This is in accordance with MHCLG guidance.

b) What weight, if any, should be given to the potential impact of Brexit?

There is inadequate information as to the likely impact of BREXIT to take this into account in the planning process.

c) Has the Mayor adequately considered increasing the total housing figures in order to help deliver the required number of affordable homes in accordance with the PPG (ID 2a-029-20140306)?

We consider the affordable housing targets set out in the plan to be inadequate

The SHMA gives annual tenure requirements as:
23,037 market homes (35% of total) 11,869 intermediate homes (18% of total) 30,972 low cost rent homes (47% of total) Taking the two sub market categories together gives an 'affordable housing' requirement of 65% of the total requirement. As 78% of the backlog is for lower rented

accommodation, meeting the backlog over a shorter timescale than 25 years, would increase the proportion of new homes in the plan period which should be low cost rented homes. There is a strong argument for giving priority to meeting the most acute needs, though this factor does not seem to be considered in the plan. The affordable housing targets in the plan at policy H7 are: Market 50% Intermediate (London living rent and shared ownership) 15% Low cost rent 15% Affordable housing to be determined by borough 20%. The disaggregation of affordable housing targets is taken from the Mayor's Housing Strategy which was published in advance of the completion of the SHMA. The targets therefore appear to be related to the current affordable housing funding regime, rather than the assessment of housing requirements in the SHMA. The overall 50% affordable housing target falls short of the 65% requirement. The minimum target for social rented housing of 15% is far short of the estimated requirement of 47%, and even if all 33 local planning authorities used all of the 20% discretionary element for low cost rent, the aggregate would at 35% still fall far short of the 47% requirement.

We believe that the targets in the plan should be based on the SHMA rather than on the current funding regime and as a strategic planning authority the Mayor should set London-wide targets rather than leave so much discretion to individual planning authorities - who will have little if any regard to needs presented outside their own authority's area. The Plan has no policies on how individual boroughs should set affordable housing targets (and targets for different sub-categories of sub-market housing) within their Local Plans. There is no replacement for policy 3.11B, C and D in the 2015. This is a significant deficiency. The new approach to affordable housing focuses on assessment of individual development proposals with a focus on viability assessments rather than on assessment against London-wide or borough-wide targets. This approach would allow a borough either to drop any specific borough wide affordable housing target or to amend or reduce its current Plan targets. The delivery of the 50% affordable housing target is problematic. In previous versions of the London Plan, policies have required each application referred to the Mayor to be assessed in relation to the London Plan target – 50% in the 2004 and 2008 Plans; 40% in the 2011 and 2016. Policy H6 in the new plan, following the recent GLA affordable housing and viability SPG, proposes that for private sector led schemes without grant, a 35% affordable housing output would be acceptable and such a scheme would be exempt from a viability assessment. Neither the policy nor SPG specify a minimum proportion of low cost rented housing within such a scheme. Policy H6B proposes a 50% affordable housing target on public sector land and a 50% target on sites, which are within Strategic Industrial Locations and Locally Significant Industrial sites. Other policies seek to protect industrial floorspace, so this assumes higher proportions of affordable on mixed use sites, with employment uses retained through intensification. There is an assumption that sites with Mayoral grant will provide at least 50% affordable housing, but again no minimum proportion for low cost rented housing. It is unclear how the aggregation of these different targets will be a London-wide affordable housing outturn of 50%. This could only be achieved if a significant proportion of grant funded schemes achieved affordable housing outputs of at least 65% - this seems unlikely given current funding regimes and limits on grant per home. Moreover, given both funding regimes and targets, the proportion of social rented homes will be far below the proportionate requirement of 47% of total net new supply identified in the SHMA and possibly below the minimum 15% target set.

PARTICIPANT STATEMENT

3237 Highbury Group on Housing Delivery

M18. Housing Strategy

Will the housing policies achieve the good growth objectives in Policies GG1, GG2, GG3 and GG4 relating to building strong and healthy communities, making the best use of land, creating a healthy city and delivering the homes Londoners need?

We have concerns that the focus on new housing numbers is diverting attention away from the central issue of how the housing policies and targets set out in the Plan are to contribute to achieving the Good Growth policies set out in the Plan. There is little evidence of how these policies are going to deliver CG1 Building strong and inclusive communities and CG4 Delivering the homes Londoners need. In our view, as set out in our responses to later Housing matters, the targets for sub-market housing, and specifically for low cost rented housing are significantly lower than the housing requirements assessed in the Strategic housing market Assessment. In our response to M19, we propose policy amendments to correct this deficit. As we also state in this response, there are no explicit target for the numbers or proportion of family size homes to be built, and no policies to correct the bias of the current development programme towards smaller units. The new policies on densification, which in some cases will generate hyperdense schemes in the form of towers of 20 or more stories, will also have the effect of reducing further the provision of new affordable family size homes. All these policies in fact have a negative impact on the delivery of policy CG1. Deficits in the provision of affordable family sized homes will lead to further overcrowding in existing homes and to increased homelessness. This clearly has negative impacts on the health of most vulnerable households and consequently is not in accordance with policy CG3 Creating a Healthy City. The focus on using land for higher density homes which do not meet the full range of assessed housing requirements and the potential loss of significant quantities of land used for employment generation, also raises the question as to whether the policies in the Plan, taken as a whole, including the absolute protection given to all land designated as Green Belt, irrespective of whether a specific site contributes to any Green Belt objectives, will deliver policy CG2 Making the Best use of land.

In particular how will the provisions of GG4E regarding ambitious and achievable build-out rates be put into effect?

The housing targets are challenging, given that they are significantly higher than recent completion rates. While the Mayor's housing strategy acknowledges that the current national planning, housing policy and funding frameworks need modification for the targets to be delivered on a year by year basis over the plan period. This is especially the case in relation to the targets for sub-market housing, including low cost rent housing where public funding and levels of capital grant per home are inadequate. The Mayor needs to provide further evidence of how the targets are to be delivered.

Will the provisions of Policy H1 B-F provide an effective strategic context for the preparation of local plans and neighbourhood plans?

We support the criteria set out in these policies for the identification of sites for residential development as a basis for site allocation in local and neighbourhood plan. We however do not agree with the assumptions in the Strategic Housing Land Availability Assessment (SHLAA) as to the housing capacity generated by assessed sites which has been the basis of the borough housing targets set out in table 4.1 as in some cases these assumes density levels and types of housing output which do not comply with the principles of Sustainable Residential Quality(SRQ) and therefore inconsistent with the Good Growth policies set out in GG1-4.

NON PARTICIPANT STATEMENT

RESPONDENT 3237

HIGHBURY GROUP ON HOUSING DELIVERY

M19. HOUSING SUPPLY AND TARGETS

Are the overall 10-year housing target for London and the target for the individual Boroughs and Corporations set out in Policy H1 A and in Table 4.1 justified and deliverable?

In particular: a) Are the assumptions and analysis regarding site suitability, availability and achievability and development capacity for large sites in the Strategic Housing and Employment Land Availability Assessment (SHLAA) reasonable and realistic?

We have concerns that the estimate derived from the Strategic Land Availability Assessment (SHLAA) that London has a capacity for 65,000 new homes a year for the 10-year plan period is based on assumptions for increased development densities which are higher than those consistent with pre-existing plan policy on sustainable residential quality and will not provide for the range of building types and bedroom size mixes needed to meet the housing requirements assessed in the SHMA. Our primary concern is that development at the assumed densities will not provide sufficient family size homes. Further details are set out in the technical note attached as appendix 1. 3. We therefore question the basic assumption in the draft Plan, that over the next 10 years, London can meet its full housing requirements within the existing administrative London boundary. Providing the required level of new housing to meet the full range of housing requirements requires lower average development densities than assumed in the draft plan and consequently requires more development land than the quantum identified in the SHLAA. This means that a significant contribution to meeting the housing needs of the London metropolitan area, including the supply deficit within London administrative boundary, need to be met by development in the Wider South East. We welcome the draft plan's recognition, in policies SD2 and SD3, of the relationship between London and the Wider South East. However, the Plan must be explicit as to the housing contribution required from the Wider South East. It would be helpful in this context if a SHMA and a SHLAA consistent with those completed for the Greater London administrative area, were also undertaken for the Wider South East. While this is outside the planning powers of the Mayor, it would be helpful if the report by the Examination in Public panel makes a recommendation to this effect.

b) Have the environmental and social implications of the proposed increase in housing targets been fully and properly assessed?

We do not consider that the social implications have been fully considered as the Plan does not adequately acknowledge that the assumptions as to increased density of development have an impact on the type of homes built, their affordability and their appropriateness in terms of meeting the full range of housing needs assessed in the SHMA.

c) Policy H1 B 2) a)-f) identifies various sources of capacity. Will these be sufficient to meet the ten years targets and what proportion of housing is expected to be delivered by means of the different types? How much is expected to be delivered on existing industrial land in the context of Policies E4-E7?

It is not appropriate to set targets at regional or borough level for different sources of supply. However, it would be appropriate for the Plan text to give an indication of supply from different sources based on the data contained in the SHLAA. This would include an indication of the capacity arising from use of industrial land and an explanation of how this was compatible with employment generation targets. We do not however support the proposed minor modification to footnote 35 which changes the measurement of location in relation to a town centre which relates the 800m criteria to the boundary of the town centre rather than the centre of the town centre as previously applied.

d) Will the focus on existing built up areas rather than urban extensions using GB/MOL provide sufficient variety of house types and tenure?

No. The Plan should have included a review of the impact of alternative development options, not just on the quantum of output, but on the type of housing development generated in relation to the range of assessed housing requirements. Development at low or medium densities on appropriate sites designated as Green Belt which do not meet Green Belt objectives but do meet the criteria for Sustainable residential Development, including access to public transport and social infrastructure. could produce a range of dwelling types, tenures and levels of affordability not achievable on most brownfield sites. Where land is acquired on the basis of existing use value, development costs can be significantly reduced.

e) Is the emphasis on development in outer London consistent with the intention in Policy GG2 that seeks to proactively explore the potential to intensify the use of land on well-connected sites?

Yes. The capacity assumptions for outer London boroughs reflect both increased investment in public transport and the potential for incremental intensification of areas in suburban boroughs with good transport connectivity and social infrastructure, without detrimental consequences for neighbourhood character. There needs to be a shift in the focus of development from hyperdense schemes in Central London and the Opportunity Areas on the periphery of central London to increased low and medium density development in appropriate suburban locations. This shift will help to provide a much wider range of housing outputs than the pre-existing Inner London and Opportunity Area focused development strategy. The pre-existing concept of intensification areas from the 2004 London Plan, which were primarily in suburban locations, needs to be revived.

f) Does the Plan adequately consider the cumulative impacts of other policies on the deliverability and viability of housing?

In our view viability of specific schemes in terms of the current availability of public and private

finance should not be a constraint on the setting of housing targets at borough level, which should relate to an aggregate assessment of the capacity of potential sites. This is primarily because these external factors may change during the ten- year period to which the targets apply, and to apply a strict delivery/viability test would constrain capacity-based targets.

g) What is going to bring about the step change in delivery implied in the Plan compared to the current one? What are the tools at the disposal of Boroughs in 1.4.6? Is it realistic to expect this to occur from 2019 or should there be a stepped or transitional arrangement?

Delivery would be enhanced by a number of policy changes, including increased public funding for sub-market homes, changes in compulsory purchase rules to enable site acquisition at existing use value, release of appropriate sites (such as Green Belt sites) which meet sustainable development criteria. These enhancements rely on changes in national government policy and are largely outside the Mayor's remit as a strategic planning authority. In contrast, some economic and political changes, such as the potential fall in residential property values post BREXIT could lead to a falloff in private investment in residential development, and consequently as in 2008, require a significant increase in government financial support to maintain, nevermind increase, the current level of new housing output.

h) Should Table 4.1 include targets for different types and tenures of housing?

No. The setting of local targets is a matter for each local Plan

i) Should the target be for longer than 10 years given that the plan period runs to 2041?

No. targets for future years will depend on new SHLAAs. It is appropriate that the SHLAA is updated on a quinquennial basis and new targets set

j) How and where is the shortfall between the identified need of 66,000 additional homes a year and the total annualised average target of 64,935 to be made up? Will LPAs outside London in the wider south east be expected to deal with this on an ad hoc basis and is this realistic?

This process will be facilitated by a consistent assessment of development capacity across the Wider South East. In reality the London deficit between assessed requirements (in our view understated, as set out in our statement on matter M17) and actual annual delivery of new homes within London will be much greater than the assumed annual deficit of approximately 1,000 homes a year.

k) Does paragraph 4.1.8A adequately explain how Boroughs are to calculate a target beyond 2028/29?

Yes

I) What will be the implications for London Boroughs if the Plan targets are adopted which increase the requirement in recent development plans?

The legal position is that the new targets once adopted in the London Plan, supersede any lower targets in pre-existing borough Local Plans. Consequently, boroughs will have to revise their targets and identify and allocate additional sites for residential development. As the capacity has already been identified through the London-wide SHLAA, the inclusion of additional sites assessed in the SHLAA into borough Local Plans is technically possible, though in some cases it may be politically problematic.

NON- PARTICIPANT STATEMENT

RESPONDENT 3237

HIGHBURY GROUP ON HOUSING DELIVERY

M22 MONITORING HOUSING TARGETS

Does Policy H3 provide an adequate basis for the monitoring of housing targets? In particular: a) Does Policy H3 BA provide an adequate basis for differentiating between the small sites target as a component of the overall housing target? b) Are the provisions in Policy H3 C and D regarding how net non-self- contained accommodation should be counted justified? c) What measures should be taken if relevant targets in the London Plan are not met?

Effective monitoring and housing and planning policy making require a step change in the availability of data covering, at Borough level, losses of housing units from each tenure and rental band as well as new production. This is essential to give an adequate view of how the stock is changing through the sale of council housing under Right to Buy, redevelopment, conversion between rental bands and otherwise. All data on sub-market rented housing needs to include data on rent levels and security of tenure. This means that changes of tenure from low cost rent to 'affordable' rent or other forms of intermediate / sub-market rent should be monitored.

In relation to H3BA, we do not considerate to be necessary to have separate targets for small sites as set out in Table 4.2. While it is useful to monitor housing output in relation to capacity estimates in the SHLAA, this is not a strategic policy matter. We therefore welcome the clarification in H3BA.

In relation to H3C, we consider that provision of non- self-contained accommodation for students should be monitored separately and not counted as contributing to overall housing targets. This is consistent with the monitoring basis established by the 2004 London Plan.

NON-PARTICIPANT STATEMENT

RESPONDENT 3237

HIGHBURY GROUP ON HOUSING DELIVERY

M24. MEETING HOUSING NEEDS

Affordable Housing H5-H8

Would policies H5 to H8 provide a justified and effective approach to delivering affordable housing to meet the good growth objectives set out in Policy GG4?

Overall, would they provide an effective strategic framework for the preparation of local plans and neighbourhood plans in relation to affordable housing?

We have proposed the following amendments to policies H5, H6 and H7

H5 Delivering affordable housing

A Amend 50% strategic target to 65% A3) Amend 50% to 65% A4) Amend 50% to 65% A5) Amend 60% to 65%

Borough Affordable housing Targets: Reinsert policy 3.11B and 3.11C from existing London Plan

Justification: This rebases the affordable housing targets on the evidence base as in the Strategic Housing Market Assessment. It also reinserts strategic guidance on the setting of affordable housing by boroughs in their local Plans which has been omitted from the plan draft. This reinsertion is critical as otherwise boroughs may set their own affordable housing targets too low, which would put at risk the delivery of the London-wide strategic target.

H6 Threshold approach to applications

B1 amend 35% to 50% B2 amend 50% to 65% B3 amend 50% to 65%

Delete "the 35% threshold will be reviewed.... Supplementary planning Guidance." Insert in H6C (3) including, including internal and external space standards and other design standards" Amend targets in H6C (4) to reflect above amendments.

Justification: This would bring the viability threshold into line with the overall affordable housing targets and ensure that schemes were only considered under the 'fast track' if they were fully compliant with the relevant London Plan policies. It would ensure that developers did not fast track schemes which were primarily marginally sub-market small units.

Policy H7 Affordable Housing tenure

A1 Replace 30% low cost rented homes by 70% A2 Leave 30% target for intermediate homes. Delete A3 (40% to be determined by relevant borough)

Para 4.7.4 Affordable rent products should have costs no greater than 30% net income for households with income in the lowest quartile of London household incomes. Further guidance will be given in Supplementary Planning guidance and updated annually through the Annual Monitoring Report. Para 4.7.6 At least 50% of shared ownership units provided within a development should be affordable by households on annual incomes below £45,000. This will be updated on an annual basis through the Annual Monitoring Report.

Para 4.7.8 At least 50% of intermediate rented units provided within a development should be affordable by households on annual incomes below £45,000. This will be updated on an annual basis through the Annual Monitoring Report.

Justification

These amendments introduce targets for different types of affordable housing which are based on the proportionate requirements set out in the SHMA. They reintroduce explicit income related definitions for different types of affordable housing and would ensure that part of the sub-market intermediate provision are targeted at middle income households and not just at those at the top of the intermediate housing income range. This was specified in some previous London Plans.

In particular, in relation to each policy:

Policy H5 Delivering Affordable Housing

a) Would the definition of 'genuinely affordable housing' and the Mayor's 'preferred affordable housing tenures', include the affordable homes needed?

No. As set out above, specific definitions for each type of sub-market housing product are required. These should be related to income levels of the specific target group. This approach was adopted in the 2004 London Plan.

The Plan policies defining the affordability of different categories of sub-market housing are unsatisfactory. This is a complex issue given Government policies state that any housing for sale at a price below 80% of market value and for rent at below 80% market rent is considered to be affordable in planning terms and consequently contributes to any affordable housing target set in a Local Plan. The former Mayor of London was required by central government to remove the separate definition of social rent from the 2011 London Plan. However, the Government now recognises the need for new social rented housing (including council housing) and the opportunity to restate a satisfactory income-related definition of social rented housing should not be lost, as it would now be difficult for the Government to object to this. The Mayor should be seen to be taking a lead. Para 4.74 on London Affordable Rent (put forward as a new form of low-cost rent) , refers to

rent levels well below the Government's definition of 'affordable rent' (which is at up to 80% market rent) 'based on traditional social rents' and then refers to the Mayor's Affordable Homes Programme 2016-21. However, this is not a statutory planning document. Moreover, this programme terminates in 2021 at which point a new programme will be established, with potentially new funding criteria, whereas the new Plan is to extend to 2041. The term 'traditional social rent' is not defined within the Plan and there is no reference to rent levels in relation to household income levels. The solution to this problem is to restate the definition of social rent housing costs (rents and service charges) included in the 2004 and 2008 London Plans as 30% of net incomes for the lowest quartile of households. This will ensure schemes aiming to provide low cost rent units, whether or not funded from the Mayor's Affordable Homes Programme, can be assessed as to whether or not they meet explicit affordability criteria. This is important given that some schemes may be provided directly by boroughs or indirectly through s106 agreements without grant from the Mayor's programme. Para 4.7.5 refers to London Living Rent aimed at households on middle incomes. No rent levels are stated. Para 4.7.8 recognises that this is an 'intermediate' housing product and states that this is aimed at households with incomes up to £80,000 a year. Para 4.7.9 referred to an assumption of 40% of net average income for intermediate housing products, though the mechanism for assessing proposals for specific schemes is unclear. We think that the financial viability appraisal system must reintroduce this affordability assessment mechanism. Paras 4.7.6 and 4.7.8 refer to London Shared Ownership. This is based on an income limit of £90,000, which will also apply to other forms of intermediate housing products such as discounted market sale. The previous distinction in upper limits between family sized homes and smaller homes has been dropped. While para 4.7.9 encourages boroughs 'to ensure that intermediate provision provides for households with a range of incomes below the upper limit' to ensure this objective is achieved, we consider that it is necessary to reintroduce the requirement (as in the 2008 Plan) that half of provision should be for households below a specified mid-point in the income range (which as at February was £35,600, but which now would be higher). As in previous years the income limits for different types of intermediate provision will be reviewed on an annual basis through the annual monitoring report. It would be helpful if the Plan set out as a footnote the methodology for such reviews, to give an assurance that affordability in relation to household incomes will not worsen over the full plan period.

b) Would the strategic target of 50% of all new homes to be genuinely affordable be justified in light of the identified need?

No. The SHMA demonstrates that even if the total requirement of 66,000 homes a year was to be met, that the proportion of sub-market housing should be 65% rather than 50%

The SHMA gives annual tenure requirements as:

23,037 market homes (35% of total) 11,869 intermediate homes (18% of total) 30,972 low cost rent homes (47% of total) Taking the two sub market categories together gives an 'affordable housing' requirement of 65% of the total requirement. As 78% of the backlog is for lower rented accommodation, meeting the backlog over a shorter timescale than 25 years, would increase the proportion of new homes in the plan period which should be low cost rented homes. There is a strong argument for giving priority to meeting the most acute needs, though this factor does not seem to be considered in the plan. The affordable housing targets in the plan at policy H7 are: Market 50% Intermediate (London living rent and shared ownership) 15%

Low cost rent 15% Affordable housing to be determined by borough 20%. The disaggregation of affordable housing targets is taken from the Mayor's Housing Strategy which was published in advance of the completion of the SHMA. The targets therefore appear to be related to the current affordable housing funding regime, rather than the assessment of housing requirements in the SHMA. The overall 50% affordable housing target falls short of the 65% requirement. The minimum target for social rented housing of 15% is far short of the estimated requirement of 47%, and even if all 33 local planning authorities used all of the 20% discretionary element for low cost rent, the aggregate would at 35% still fall far short of the 47% requirement.

We argue that the targets in the plan should be based on the SHMA rather than on the current funding regime and as a strategic planning authority the Mayor should set London-wide targets rather than leave so much discretion to individual planning authorities - who will have little if any regard to needs presented outside their own authority's area.

c) In requiring major developments which trigger affordable housing requirements to provide affordable housing through the threshold approach, would the policy be effective in delivering the quantum of affordable housing required?

The Plan has no policies on how individual boroughs should set affordable housing targets (and targets for different sub-categories of sub-market housing) within their Local Plans. There is no replacement for policy 3.11B, C and D in the 2015. This is a significant deficiency. The new approach to affordable housing focuses on assessment of individual development proposals with a focus on viability assessments rather than on assessment against London-wide or borough-wide targets. This approach would allow a borough either to drop any specific borough wide affordable housing target or to amend or reduce its current Plan targets. The delivery of the 50% affordable housing target is problematic. In previous versions of the London Plan, policies have required each application referred to the Mayor to be assessed in relation to the London Plan target – 50% in the 2004 and 2008 Plans; 40% in the 2011 and 2016. Policy H6 in the new plan, following the recent GLA affordable housing and viability SPG, proposes that for private sector led schemes without grant, a 35% affordable housing output would be acceptable and such a scheme would be exempt from a viability assessment. Neither the policy nor SPG specify a minimum proportion of low cost rented housing within such a scheme. Policy H6B proposes a 50% affordable housing target on public sector land and a 50% target on sites, which are within Strategic Industrial Locations and Locally Significant Industrial sites. Other policies seek to protect industrial floorspace, so this assumes higher proportions of affordable on mixed use sites, with employment uses retained through intensification. There is an assumption that sites with Mayoral grant will provide at least 50% affordable housing, but again no minimum proportion for low cost rented housing. It is unclear how the aggregation of these different targets will be a London-wide affordable housing outturn of 50%. This could only be achieved if a significant proportion of grant funded schemes achieved affordable housing outputs of at least 65% - this seems unlikely given current funding regimes and limits on grant per home. Moreover, given both funding regimes and targets, the proportion of social rented homes will be far below the proportionate requirement of 47% of total net new supply identified in the SHMA and possibly below the minimum 15% target set.

d) Would the approach to affordable housing providers, public sector land and industrial land be justified and effective?

We support the overall approach. This needs to be applied on a consistent basis to all GLA owned land.

e) In requiring on site affordable housing generally, would the policy provide adequate flexibility to take account of local circumstances?

Only in relation to a) a site being appropriate for only specific types of housing output (for example unsuitable for family housing, or b) where a variation from a norm housing mix is justified either by differential housing needs or c) is justified by an overconcentration of specific housing types or tenures within the neighbouring area.

f) Does the approach taken in Policy H5 provide sufficient flexibility to take account of local circumstances?

Yes. We support the criteria for off-site provision and cash in lieu contributions set out in paras 4.5.5 to 4.5.11.

g) Overall, would the policy be effective in delivering the affordable homes needed?

Our reservations are set out in the above responses and the amendments proposed above would correct the deficiencies in the proposed policies.

Policy H6 Threshold Approach to Applications

a) Would the threshold approach to viability, with a fast track route and viability tested route, as set out in policy H6, be justified and effective? Would the threshold level of affordable housing as set out in Policy H6B be justified and effective?

We do not support the policies relating to assessment thresholds and the fast track route. Given the variation in costs and values between specific sites, all development proposals should be subject to a full financial appraisal. Should a threshold system for a simplified appraisal process be considered, the threshold should be set at full policy compliance, that is 50% affordable housing with compliance in relation to scheme components including different categories of sub-market housing and bedroom size mix.

b) Would it provide a framework to increase delivery of affordable homes to meet the full range of identified need?

In order to achieve this objective, policy H6B needs to be amended as proposed above.

c) Would the approach taken to scheme amendments be effective in increasing delivery of affordable homes?

We support the proposed approach. All scheme amendments should require a full revised financial appraisal.

d) Would the approach taken to determining benchmark land value be justified?

Benchmark land values should be determined on the basis that development proposals are fully compliant with the policies set out in the London Plan, including requirements relating to different types of affordable housing, built form and bedroom size mix. This is consistent with government policy guidance.

e) Would the requirement to seek grants to increase the level of affordable housing to access the fast track route be effective in increasing speed of delivery?

We support the proposed approach.

f) Would the review mechanism as set out in Policy H6E2 be justified and effective in increasing delivery?

We support the proposed approach.

Policy H7 Affordable Housing Tenure

a) Would Policy H7 be effective in delivering the tenure of affordable housing to meet the objectives of Policy GG4?

The targets set are far too low in relation to the proportionate requirements identified in the SHMA. The amendments required to ensure they are consistent are set out above.

b) In light of the identified need for low cost rental homes, would the split of affordable products in this policy be justified and effective? Would it provide sufficiently for boroughs to determine tenure locally to meet local needs and reflect local circumstances?

No. The target for low cost rented homes is far below that identified in the SHMA. We do not agree with the level of discretion proposed for individual borough plans as proposed in H7 A2) Housing requirements and capacity must be considered on a regional basis -that is the whole point of the Mayor's role as a strategic planning and housing authority. The amendments required to ensure appropriate use of development capacity across London are set out above.

c) Would the preferred affordable housing tenures be justified and effective in meeting identified

need?

The presumption in para 4.7.2 is redundant if policy H7 is amended as proposed above.

d) Would the mechanism for review of the preferred tenures through supplementary planning guidance in 2021 be justified and effective?

No. Targets should be set as policies within the Plan and only revised following the normal process of plan review, including evidence base, proposal, consultation and Examination in Public.

Policy H8 Monitoring Affordable Housing

a) Would Policy H8 provide an effective framework for boroughs to monitor affordable housing?

We support the proposed policy.

NON- PARTICIPANT STATEMENT

RESPONDENT 3237

HIGHBURY GROUP ON HOUSING DELIVERY

M26 REDEVELOPMENT OF HOUSING AND ESTATE REGENERATION

Would Policy H10 provide a justified and effective approach to the redevelopment of existing housing and estate regeneration? In particular, would the approach to affordable housing be justified? In light of Policy H5, would the requirements be clear? In the context of local need and objectives for redevelopment or estate renewal, would it be effective? What is the justification for provision of affordable housing floorspace rather than units? Would it provide sufficient flexibility to reflect local circumstances and support housing and estate regeneration? Overall, would the approach taken meet the objective of Policy GG4 in delivering the homes Londoners need?

Policy H10 as drafted is inadequate. We propose the rewording of H10C as follows: "For estate regeneration schemes the existing affordable housing floorspace should be replaced on an equivalent basis ie where social rented floorspace is lost, it should be replaced by social rented accommodation with rents and security the same or very similar to that which has been lost, and the delivery of additional affordable housing should be maximised. All schemes should follow the Mayor's Good Practice Guide to Estate Regeneration, including the use of ballots as appropriate, and the Viability Tested Route (see Policy H6 Threshold approach to applications)."

This amendment would bring the policy into line with the recently published Mayor's Good Practice Guide to Estate Regeneration

NON-PARTICIPANT STATEMENT

RESPONDENT 3237

HIGHBURY GROUP ON HOUSING DELIVERY

M28 HOUSING SIZE MIX

Would Policy H12 provide a justified and effective approach to achieving the dwelling size mix to meet London wide and local needs? In particular: a) Does the dwelling size and mix identified in the 2017 SHMA provide a robust and realistic assessment of London wide needs? b) Would policy H12 provide an effective and justified strategic framework to deliver the mix of homes needed? What is the justification for preventing boroughs from setting prescriptive dwelling size mix requirements for market and intermediate homes and would this approach be effective? Would it provide sufficient flexibility to meet local needs? In light of this and the need to optimise density would it make a sufficient contribution towards family homes? c) Overall, would it meet the objective of Policy GG4 to deliver the homes Londoners need?

Policy H12 as drafted is inadequate. We propose the insertion of a new policy, as follows:

“At least 30% of a new development should be units with at least 3 bedrooms, unless the local planning authority determines that a specific site is unsuitable for residential accommodation for households with children.”

This reintroduces a London-wide target for family sized homes, based on the SHMA evidence base, while leaving some flexibility on its application to avoid the provision of family housing on unsuitable sites, and the division between tenures.

Policy H12C Boroughs should not set prescriptive dwelling size mix requirements for tenures other than social rent.

This policy should be deleted as Boroughs should be able to set local housing size mix requirements by tenure, which are based on evidence and local priorities, as required by the NPPF and national planning policy guidance..

PARTICIPANT STATEMENT

RESPONDENT 3237

HIGHBURY GROUP ON HOUSING DELIVERY

M39. DENSITY

Would Policy D6 on optimising density be effective in achieving the intentions in Policy GG2 on making the best use of land and is the policy approach justified especially bearing in mind the cumulative impact on the environment and infrastructure?

We proposed the following amendments to policy D6

D6 Optimising Housing Density

1) Reinsert at beginning of D6 Policy 3.4A from existing London Plan, including Table 3.2 Density Matrix

2) Revise **suburban** ranges in matrix as follows:

Public Transport Accessibility Level (PTAL)

0 to 1 2 to 3 4 to 6

150–200 hr/ha 180–350 hr/ha 200–450 hr/ha

3.8–4.6 hr/unit 35–55 u/ha 40–80 u/ha 45–115 u/ha

3.1–3.7 hr/unit 40–65 u/ha 50–115 u/ha 55–130 u/ha

2.7–3.0 hr/unit 50–75 u/ha 60–130 u/ha 70–185 u/ha

(proposed increases relate to PTAL 2-3 and PTAL 4-6 and may need to be subject to refinement. Existing ranges for PTAL 0-1 are considered to be appropriate)

3) Expand D6C to specify minimum components of required management plan. This should include compliance with policies H5, H7 and H12 and all design standards, including internal and external space standards. Design scrutiny needs to explicitly include assessment of utilities, transport and social infrastructure including access to open space and leisure facilities.

M1 Monitoring Table 12.1 Key performance indicators and measures

Reinstate KPI 2 From existing London Plan. Optimise the Density of Residential Development: Over 95 per cent of development to comply with the housing density location and the density matrix.

The Mayor should draft an SPG setting out the components for the required management plan and the submission and assessment process and consult on the draft before a final SPG is adopted. There is a case for reintroducing Policy 3A.5 in the 2004 London Plan on *Large Residential Developments*, which required local planning authorities to prepare planning frameworks for sites of 10 hectares OR that would accommodate more than 500 dwellings, these frameworks to set out the transport and social infrastructure requirements for the development ,including community and ancillary services and how neighbourhood impacts would be dealt with

These amendments would reinsert the density matrix as a basis for ensuring that new developments met the principles of Sustainable Residential Quality. The matrix is amended to support intensification of suburban areas with Public transport Access of at least PTAL 2. The new policies for design scrutiny are retained, but to supplement rather than replace pre-existing density policy. The content of management plans for higher density schemes scrutiny are clarified as is the requirement for higher density schemes to be fully compliant with policy requirements on design as well as affordable housing and bedroom size mix. No changes are proposed to ranges for central and urban areas

Justification for proposed amendments

We are concerned that the adoption of a ‘design led approach’ as a replacement for the specific policies on Sustainable Residential Quality contained in previous versions of the London Plan will not necessarily increase the output of new homes to meet the challenges of London’s population growth, and will not ensure that the new housing supply produced is appropriate to meet the full range of the housing needs of Londoners. Design is one of the tools to meet planning requirements but should come after the definition of preferred locations for higher density development and an assessment of the need for different types of development. A focus on ‘good design’ without clear design guidelines cannot be a substitute for setting explicit planning policy requirements. If policy D6 remains, the intended content of a management plan this should be spelt out more fully. This should include consideration of all the components set out in Policy 3A.5 on Large Residential Developments in the 2004 London Plan.

While there is a case for amendments to be made to the density policy, a set out above, we do not support the removal from the Plan of the density matrix or the removal of the density compliance Performance Indicator. The matrix, which set out appropriate ranges for density of new development in terms of both dwellings per hectare and habitable rooms per hectare relating to a) public transport access; b) the existing built form within an area and c) the relationship to a town or district centre. This has been an important tool in ensuring development density was optimised without compromising sustainable residential quality objectives and which provided a starting point for negotiations between developers and borough planning officers. While there is a case for reviewing the density ranges in the matrix, especially in relation to suburban sites with good public transport access and access to good social infrastructure, there is also a case for more explicit guidance on criteria for deviations from the appropriate range as abandoning the key policy control of development density is likely to facilitate further inappropriate development. This policy shift fails to acknowledge the relationship between development density and the type of new development output, in terms of built form, bedroom size mix and affordability. The facilitation of higher density development also has an impact on land costs, which then has a negative impact on housing

affordability. It is important that maximum permitted densities can simply and transparently be read off the plan and its policies to discourage those bidding for sites from over-bidding and then using viability arguments to secure higher densities or reductions in affordable housing provision. The market's need for certainty in respect of density is logically the same as its need for certainty about affordable housing requirements. The draft Plan adopts this logic for affordable housing (Policy 4.6.13) and should do so for density.

There needs to be adequate mechanisms for ensuring higher density development meet the full policy requirements set out in the Plan in relation to the built form, dwelling type, dwelling size mix, housing affordability, internal and external space standards and design standards in accordance with the principle of sustainable residential quality. This requires amendments to the draft plan policies and supplementary guidance, not just related to development and housing policies but also expanded guidance on delivery mechanisms and safeguards for private sector development set out chapter 11. We emphasise that we support improved design but there is nothing in the Density/SRQ matrix which inhibits good design within the parameters set. They are not alternatives. The evidence that the matrix has never been enforced and has had little detectable influence is used by the Mayor as an argument for scrapping it. In our view it is evidence of the importance of enforcing it as firm policy as we propose.

The reinsertion of KPI 2 would ensure continued monitoring of density compliance and identify the proportion of new developments, which are either below or above the appropriate density ranges. The Mayor should continue to publish maps of density compliance and identify specific non-compliant schemes, and the justification for approving or supporting schemes outside the appropriate ranges.

In particular:

a) Would the provisions of Policy D6 provide an effective strategic context for the preparation of local plans and neighbourhood plans?

Would the detailed criteria provide an effective and justified basis for development management, are they all necessary and do they provide sufficient clarity about how competing considerations are to be reconciled by the decisionmaker?

They would not be effective, for the reasons set out above.

b) Will leaving density to be assessed on a site-by-site basis compared to the matrix in The London Plan of 2011 be effective?

Yes. Subject to the proposed revision to the density matrix set out above.