



Mayor of London
New London Plan
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Dear Mayor

DRAFT LONDON PLAN

Thank you for allowing the Home Builders Federation (HBF) the opportunity to comment on the Draft London Plan.

The HBF is the principal representative body of the housebuilding industry in England and Wales and our representations reflect the views of discussions with our membership of national and multinational plc's, through regional developers to small, local builders. Our members account for over 80% of all new housing built in England and Wales in any one year. Last year, private sector housebuilders were responsible for building 43% of all new affordable homes in England.

The HBF would welcome the opportunity to be involved in the examination in public of the new London Plan.

Overview

The HBF commends the GLA in keeping the London Plan regularly updated. This means that those policy measures devised to address specific issues can be reviewed, adapted and dropped if need be based on their effectiveness. This is important. The Inspector appointed to examine the last London Plan (adopted in March 2016) had been concerned about the soundness of the strategy in London particularly its strategy to meet housing needs – objectively assessed housing need – in full. He doubted the ability of the London boroughs to identify additional housing land capacity to close the gap between the objectively assessed housing need for 49,000 dwellings per annum and an assessed land supply of 42,000 dpa. Specifically, the Inspector questioned the ability of the boroughs to increase the density of development without significant, and adverse, socio-environmental impacts. For this reason, he recommended an immediate review of the London Plan.

The Inspector suggested that this review may need to look beyond the current 'philosophy' of the London Plan.

The Mayor demurred and has asserted several times, post the adoption of the current London Plan, that the London local planning authorities (the 32 London boroughs, the City of London, and the two development corporations – referred to from here on as the LPAs for simplicity) would be able to identify additional capacity to augment the housing benchmark targets in table 3.1 (and meet their own locally assessed OAN) as they brought forward their supporting local plans.

We have questioned this. The HBF has been involved in nearly all the London borough local plans that have been produced following the London Plan 2016. To date, the London boroughs have failed to identify additional capacity to augment the minimum housing targets set out in table 3.1. The table below provides a summary of the current state of play.

London Local Planning Authorities: Emerging and adopted housing targets compared to the 2015 London Plan (annual averages)

	Local Plan	London Plan	Increase/shortfall
Bromley	641	641	0
Camden	1120	889	231
Croydon	1644	1435	209
Enfield	798	798	0
Hackney	1599	1599	0
Ham & Fulh	1100	1031	69
Haringey	1502	1502	0
Havering	1170	1170	0
Hounslow	822	822	0
Lambeth	1195	1559	-364
LLDC	1471	1471	0
Redbridge	1149	1123	23
Rich' Upon			
Thames	315	315	0
RBKC	733	733	0
Southwark	2736	2736	0
Sutton	427	363	64
Tower Hamlets	3931	3931	0
Wandsworth	1812	1812	0
Westminster	1068	1068	0
	25233	24998	232

So far, 19 London LPAs have produced updated part one style local plans (or core strategies in the old coinage) but overall identified capacity has not increased significantly. Additional capacity for only 232dpa has been identified. Most boroughs are only prepared to meet the minimum London Plan target asserting that the London Plan only requires them to do this (e.g. Richmond-Upon-Thames, Haringey and Bromley).

Delivery has also continued to lag behind the targets. London had its best year for completions since the onset of the recession when in 2015/16 38,553 net completions were secured (see the London Plan Annual Monitoring Report 2015/16). Information of net completions is provided in appendix 2. It should be noted that this figure includes 4,564 non-conventional (i.e. C2 use class) bedrooms and homes. The

problem of treating bedrooms as homes is something that we will comment on in these representations.

In the previous year - 2014/15 - net housing completions (conventional and non-conventional) were 31,894 (London Plan AMR 2014/15). This figure matched the then London Plan 2011 target, but since the targets in the London Plan 2011 were expressed as minimum targets, it is disappointing that completions were not greater, especially as this was a relatively buoyant year economically for London. This probably expresses the problem of the time-lag between a new London Plan being adopted and its policies being translated into a supporting local plan. The supporting local plan will need to identify and allocate a land supply.

The HBF's central concern with the draft London Plan and its higher OAN figure, is whether it can deliver this significantly higher housing target. The new target represents a 53% increase on the current London Plan (see paragraph 9.4 of the 2017 SHLAA) and this target will need to be delivered within London's existing urban footprint (see paragraph 2.3.1). Even though certain steps have been taken to deliver this new targets – e.g. the relaxation of density policy; the encouragement of mixed-use; the encouragement of smaller sites - the ability of London to meet all its housing needs over the next ten years primarily through the redevelopment of existing developed land is questioned by the HBF. This will be the main theme of the HBF's representations. We are unconvinced that London can meet a figure of 65,000dpa a year on London's existing footprint *in the course of the next ten years*, and for this reason, despite some positive measures in the new London Plan, the HBF is forced to conclude that the new London Plan is unsound. It is unsound primarily because it is ineffective and unjustified.

These representations will address the key housing questions first – namely the question of the objectively assessed housing need and London's capacity. We will then address the associated housing policies in Chapter 4 of the draft London Plan, before all the other policies are considered. These follow the order of the draft London Plan.

Paragraph 0.0.2

The Mayor states that the draft London Plan will provide the development framework for London for the next 20-25 years. However, the housing targets – see Policy H1 – operate only for the ten year period 2019-29. The reason why the housing targets apply only for the next ten years is because the Mayor is uncertain about housing land supply and capacity for the period post 2029. It is not certain that London could sustain the delivery of 65,000dpa after 2029 and the full OAN of 66,000dpa. It is questionable, therefore, whether one can adopt a London Plan that is said to provide a framework for the next 20-25 years if the land supply situation, and therefore the housing targets, is uncertain.

The London Plan should be clear that it provides a plan only for the next ten years. After 2029 it will cease to be part of the development plan for London.

Because the draft London Plan is really only a plan for the next ten years, this will have to provide the basis for the calculation of the objectively assessed housing need (OAN). The demographic element of the OAN assessment should be assessed on the basis of the period 2019 to 2029, and not 2016 to 2041. This is consistent with the Government's draft guidance for its standardised assessment of the housing need, as explained in paragraph 17 of its *Planning for the Right Homes in the Right Places* consultation.

Paragraph 0.0.20

The statement in paragraph 0.0.20 is unsound because it conflicts with national policy and established practice.

The Mayor observes in this paragraph that the draft London Plan deviates from current national planning policy in a number of respects. The Mayor asserts his local political mandate to further justify these departures. We accept that national policy is not prescriptive and that plan-makers may depart from national policy especially where there is good local evidence to justify this. There are instances, however, in the draft London Plan where the deviation from national policy is significant and has wider implications for other areas of the country. Some of the changes proposed are more profound than this and represent changes to Statutory Instruments, such as his recasting of the Use Classes Order. Consequently we consider these departures to be unjustified with the wider national public interest in mind.

This is important in five areas in particular:

- the objective assessment of housing need;
- the assessment of the housing land supply;
- the Mayor's direction that the London LPAs need not prepare "part one" (or core strategy) local plans;
- the blanket removal of certain policy requirements such as those relating to supporting small developers;
- the London Plan's approach to the Green Belt; and
- A recasting of the use classes order.

There are other instances but these are the chief ones. We will address each of these issues in detail at the relevant point in these representations.

The Mayor's proposals in these areas will have significant ramifications on the housing crisis as it is felt nationally. The justification to depart from national policy in these areas will need to be considered carefully.

The HBF is not persuaded that the Mayor's mandate does allow him to prescribe a different approach to national planning policy in all of these areas. National planning policy has been devised through a national conversation between the people and their political representatives in Parliament. This conversation has been informed by a number of national political priorities, such as the need to address the housing crisis. The NPPF was written, in part, to provide a framework to address that housing crisis. National planning policy is never intended to be prescriptive; it does allow plan-makers to depart from, or dis-apply national policy, when making plans or determining applications. However, it does provide an important framework that all plan-makers should have regard to when making plans because it does reflect the political priorities of the incumbent Government. These political priorities are an expression of the political will of the people.

We are conscious of the fact that the statutory London Plan is not a Local Plan – something that the Mayor has been anxious to assert in relation to the applicability of the Duty to Cooperate. It is doubtful whether the NPPF was drafted with the Statutory London Plan in mind (see paragraph 2 of the NPPF) – this appears to have been overlooked by Government. Nevertheless, it has become established and accepted practice through previous London Plan examinations – not least the examination of the current London Plan in 2014 – that the London Plan should be examined in the

context of the NPPF. This has to be correct, because the London Plan seeks to undertake certain key plan-making functions on behalf of the 35 London LPAs. These functions are essential to the production of Local Plans. This includes the assessment of housing need, the assessment of land supply, and the Sustainability Appraisal that underpins the decision making in terms of the apportioning of the housing targets based on the assessment of capacity and the ability of the London LPAs to deliver these in a sustainable manner.

Consequently, the Mayor's assertion that he can decide where he can dis-apply the national planning policy framework must be incorrect. Where the Mayor wishes to depart from the NPPF, his reasons to do so must be supported by sound evidence.

Paragraph 0.0.20 should be deleted from the draft London Plan.

The Mayor's attempt to arrogate planning powers, to re-write national planning policy for London, and remove core aspects of Local Plan making from the London LPAs, speaks to a wider failing of the draft London Plan. It is not a strategic spatial plan at all. It is a glorified local plan that neglects essential strategic issues such as London's relationship with the Wider South East and which interferes too much in the detail of the work of local planning authorities. These failings will be to the detriment of an effective plan for housing delivery.

Paragraphs 0.0.21 and 0.0.22

The paragraph is unsound because it has implications for local plan preparation that are unjustified and ineffective.

The relationship of the draft London Plan to the local plans of the London LPAs is a question that needs to be explored very carefully as the draft London Plan is seeking to supplant elements of local plan preparation. The draft London Plan needs to be very clear how the new housing targets in the draft London Plan will be adopted or translated into local plans by the London LPAs. This needs to be made very clear by the London Plan to avoid any doubt.

The implication of this paragraph – although it is not entirely clear – is that upon adoption of the draft London Plan, the draft housing targets listed in table 4.1 will automatically update the existing housing targets of the London LPAs. They will not need, by implication, to produce supporting part 1 local plans. Paragraph 0.0.22 refers to the London boroughs (sic) devoting their time to producing other planning documents other than part 1 local plans. While we recognise that this has been established practice across London that the London Plan automatically updates the London LPA housing targets, it is the case that the testing of the ability of the London LPAs to accommodate the London Plan targets has been subject to a finer-grain assessment when they do produce their part 1 local plan. This is because they begin to examine in detail the question of the a) locally assessed OAN; and b) housing land supply.

It is a requirement of the NPPF that every local planning authority in England produces a development plan document. We are not convinced that this is a matter where the Mayor can prescribe a different approach. Not least because there is a legal requirement for the London LPAs to demonstrate that they have complied with the duty to cooperate – a duty that the Mayor is keen to stress does not apply to the London Plan because the London Plan is not by definition a development plan document.

The draft London Plan needs to be amended so there is no doubt that the London LPAs are all required to produce development plan documents. We are not convinced that the Mayor cannot arrogate power on this question. His mandate does not extend to supplanting a core requirement of national planning policy and our plan-led system.

The problem with implementation and the delivery of the housing targets in time

This does not mean to say that there is not a significant problem associated with implementation: the ability of the 35 London LPAs to produce supporting development plan documents to enable the target of 65,000 dpa to be delivered in full before 2028/29 (or 650,000 homes) is doubtful. Given the ambitious nature of the housing target (as paragraph 0.0.21 refers) we can understand why the Mayor would be anxious to avoid any delay that might be the result of local plan preparation. As referred to above, following the adoption of the London Plan 2015, only 18 London LPAs out of 35 have supporting local plans prepared in the context of the London Plan 2016. This illustrates the time-lag problem.

However, there are many problems with the detail of implementation that must be clarified to ensure the effectiveness of the London Plan and the preparation of development plan documents by the London LPAs.

While the housing targets for each London LPA might be automatically updated, it is only the production of a more detailed supporting LPA local plan that can really assess whether the targets are truly deliverable. This is because the preparation of more detailed local evidence is the only proper way to examine the housing land supply question. The problem is illustrated by the fact that some London boroughs are unable to assist in closing the strategic housing undersupply across London to enable London to meet its OAN in full, i.e. despite the assertions of the London Mayor, the London LPAs to date have been unable to identify significant additional capacity.

The fact that the draft London Plan does not 'roll forward' the new housing targets – adds another dimension to this problem. The new London Plan does not clearly state that the new housing targets are confined to the period 2019/20 to 2028/29 – i.e. they expire in 2028 – but this is the case, as the GLA has confirmed to me. This needs to be written into the new London Plan so the implications of this can be properly appreciated and examined. Paragraph 1.4.4 refers to the ten year duration of the housing targets.

If the new housing targets will only apply for the specific period 2019/20 to 2028/29 and will not continue beyond this date, it is unclear what targets will operate for the period post 2028. A revised London Plan may be published, but this cannot be guaranteed. The draft London Plan is extremely vague on the question of what happens after 2028 and what the London boroughs should do in their Local Plans where these extend beyond 2028/29 (as many existing, and adopted, Local Plans do). The London LPAs will need to know what to put in their Local Plans in terms of a housing target. Given the urgency of the housing crisis in England, we cannot afford any ambiguity on this question. The London LPAs will need to know what they must plan for post 2028/29 in case there is a failure to produce a revised London Plan.

If the Mayor is saying that London LPA Local Plans should not be produced with time horizons that extend beyond 2028/29 it should state this very clearly. We can then examine the soundness of this Mayoral prescription.

If it is concluded that the Mayor cannot stop the London LPAs from producing development plan documents including part 1 Local Plans, then a London Plan with a 10 year shelf-life is a very short time-frame against which local authorities need to produce a supporting Local Plan and implement it. This period could pass quickly before detailed supporting plans are produced that provide evidence that the new housing targets can be delivered.

It is also unclear what weight those local authorities who have recently had examined or have adopted local plans prepared in the context of the London Plan 2015 can attach to their local plans. This is the case with Croydon, Bromley, Sutton, Hammersmith & Fulham and Richmond-upon-Thames, Redbridge, etc. What weight can be accorded to these Local Plans especially where the new London Plan has doubled the housing target (as in the case of Bromley, Sutton, and Richmond Upon Thames). The Local Plan is still the statutory starting point for development management decisions, as paragraph 2 of the NPPF reminds us.

Furthermore, if the draft London Plan is time-limited, it is unclear what could be done in time to rectify the potential for a significant under-delivery against the target of 65,000dpa. The short ten year plan provides very little scope to remedy any failure, such as a failure of small sites and windfall coming forward in sufficient numbers to provide some 24,528dpa homes a year (table 6.7 of the SHLAA).

If the housing targets are time-limited to just ten years, it follows that the rest of the draft London Plan must be time-limited too. It will cease to form part of the development plan for London after 2028/29.

Paragraph 0.0.24

The London Plan should not depend on a review for soundness.

The Mayor is required to keep the London Plan under review. Ensuring that plans are carefully monitored and reviewed is welcome, and the GLA has a good track record in this regard. The very large number of new homes that are required each year by the new Plan – a target incidentally which is more than double the number in the 2011 London Plan - alongside the protection that needs to be given to existing industrial and commercial space and green places, means that the Mayor is relying on some very optimistic assumptions about land supply across London. The HBF has reservations about the housing land supply assumptions.

The London Plan is a plan that carries national significance because of the economic importance of London and the influence it exerts on the rest of the country but especially the wider south east. The Government has announced a new national housing need target of 300,000dpa. London's need for 66,000dpa represents one fifth of England's overall need. If delivery of 65,000 cannot be sustained each year, and delivery falls significantly short of this target, then a flawed London Plan would be responsible for a large gap in supply against the nation's overall housing need. A large undersupply would have adverse consequences for housing affordability in the south east.

In view of the GLA's distinctive approach to its land supply assessment it is very important that we are confident that the London Plan will facilitate the supply of 65,000dpa. It is important that the public has confidence in the draft London Plan. We cannot afford to wait and see whether the policies contained in the London Plan will be successful.

Delivering the homes Londoners need

Paragraph 1.4.3

The objectively assessed housing need for London (OAN) is unsound because it is not positively prepared. This is because the derivation of the OAN is:

- a) contrary to established practice for assessing the OAN;
- b) inconsistent with the Government's proposed standardised approach to assessing housing need; and
- c) unjustified in terms of the demographic and backlog assumptions underpinning the assessment.

The new London Plan refers to an overall need for 66,000 dwellings per annum (dpa) for at least 20 years. It sets a time limited target of 65,000dpa for the period 2019-2028.

The way that this figure has been calculated is described in the GLA SHMA 2017. The figure consists of a demographic projection (the Mayor's Central Variant) of 55,540 households per annum (paragraph 7.10), a backlog allowance of 8,761 hpa (averaged over 25 years – see paragraph 7.19), and a vacancy allowance equivalent to 1.8% of the above two figures – i.e. 1,577 hpa (paragraph 7.20). This results in a total need for 65,878 dpa rounded-up to 66,000 dpa for the Plan.

Established practice elsewhere in the country is that the plan-maker establishes first the baseline demographic need. This might be adjusted for alternative migration assumptions, or on the basis of the use of a projection derived over longer or shorter term (a ten year period tends to be favoured). The demographic projection might also be adjusted for alternative headship rates with the plan-maker taking a view on the extent to which household formation has been suppressed in the past few years. Some plan-makers consider these adjustments as part of a market signals uplift. Both approaches have their adherents.

The second stage is usually to make a percentage adjustment for market signals to compensate for deteriorating housing affordability. It is established practice that these adjustments can vary between 0 to 30%. An adjustment of 30% is very rare (it has occurred in only one instance - in the case of the Cambridge Local Plan). An adjustment of between 5-10% in south of England is more common, but most local authorities are reluctant to adjust for market signals, arguing that they are unable to improve housing affordability by acting on their own – it would require a consistent effort by everyone across the country. The reluctance of local authorities, especially those in the wider south east of England, to adjust for market signals, prompted the government to devise a standard and generally non-negotiable way of calculating this.

The third stage is to ensure that the housing need calculation is aligned with economic growth plans. This is necessary to ensure there are enough homes in the area to provide the labour force needed by planned employment growth.

A fourth stage might involve the addition of an upward adjustment to facilitate the supply of more affordable housing. Similar to market signals, this is also unpopular with many local planning authorities because it increases the overall need.

Lastly, it is standard practice to adjust the final figure for vacancies/second homes using the percentage figure for the local authority from the last Census (in this case 2011).

Current Government guidance is not prescriptive but it encourages local planning authorities to follow these steps.

The Mayor of London, as with the last London Plan, has decided to take a different course. The 2013 SHMA that informed the last London Plan was prepared before the government had provided its guidance through the NPPG in 2014. The GLA cannot make this excuse this time round.

The Mayor's assessment of housing need is made-up of the three components described above. It is necessary to look at each of the three components.

The Mayor's OAN

The demographic starting point

The Mayor has assessed that the demographic starting point for London is 55,540 households per annum based upon its Central Variant projection for the period 2016-41 (paragraph 7.10 and table 7 of the SHMA). This is a projection that was utilised by the previous London Plan and the assumption underpinning this variant was considered sound by the examining inspector.

It is necessary to understand the extent to which the GLA's projections vary from the official ONS and DCLG projections and the reasons why.

Population projections

The GLA produces three household projections derived from three alternative population projections based on different migration scenarios (see paragraph 3.51 of the 2017 SHMA). These are set out below compared to the ONS projection:

<u>Scenario</u>	<u>Population</u>	<u>Time period</u>
Short term variant	85,000 people a year	2016-2041
Central variant	79,000 people a year	2016-2041
Long-term variant	69,000 people a year	2016-2041
ONS	93,000 people a year	2016-2039

The GLA short-term projection utilises five years of migration data.

The GLA central projection scenario uses a ten-year period of past migration data.

The GLA long-term projection uses 15 years of migration data (see paragraph 0.24).

The ONS and the GLA short-term variant both use five years of most recent migration data.

It is apparent that all of these alternative GLA population projections generate lower forecast populations than the ONS (see paragraph 3.57). This is illustrated in Figure 73 on page 111 of the 2017 SHMA (the labels in Figure 73 are the wrong way around. This has been confirmed by the GLA).

It should be noted that the Government's consultation on its standard assessment of the OAN (*Planning for the Right Homes in the Right Places*) does not endorse the

use of alternative migration periods. The GLA's use of its own alternative populations results in lower assessments of population and therefore lower assessments of housing need. This is illustrated by the next step: converting a population projection into a household projection.

Household projections

The DCLG 2014-based household projection suggests a growth of 54,000 households per year (see paragraph 3.75 of the 2017 SHMA) over the period 2016 to 2039. This compares to some much lower assessments of need on the basis of the GLA's variants (derived from its alternative population projections).

The short-term variant - 52,000 households a year.

The central variant - 48,200 households a year.

The longer-term variant - 42,000 households a year (see page 43 of the 2017 SHMA).

Central Variant (10 year period of past migration data – see paragraph 3.52) – the GLA's favoured scenario - results in 48,200 household per year.

If one compares the DCLG and the Central variant it is clear that there is a difference in the projected level of household formation. To a degree this is rectified by the adjustments the GLA subsequently makes to the central variant projection (of 48,200 households per annum) by calculating the net requirement between 2016 and 2041 – that is the difference between the current stock and that required in the future. To get to this figure the GLA does some calculations to net-off housing completions since 2013 (see paragraph 7.8).

This results in a net annualised housing requirement of 55,540 (paragraph 7.10) for the period 2016-2041.

Why the difference?

Compared to this GLA projection, the DCLG 2014-based household projections for 2019 to 2029 show that 56,400 households will form. We have derived this figure from what we consider to represent the true period of time the new London Plan will operate over - 2019-29. This figure is also in keeping with the Government's suggested method, e.g. the consultation at paragraph 17 states that the "*proposed demographic baseline should be the annual average household growth over a ten year period*". The figure of 56,400 is marginally higher than the GLA's adjusted starting point but it is the figure that the Government has proposed should be used to form the basis for the assessment of the housing need. The Government recognises that plans may cover longer periods than the immediate next ten years, but the opportunity to revisit housing needs will be available through the review of the plan in five years (paragraph 17).

The GLA has questioned the reliability of the ONS and DCLG figures (see chapter 3 of the 2017 SHMA). The chief area of dispute is over errors in international inflow estimates (paragraph 3.11). The result is that the GLA variant population projection scenarios are all lower than the ONS projection. This is illustrated in Figure 27 on page 37.

Another factor which accounts for the GLA's alternative projections is that projected household formation assumptions from previous DCLG projections were found to be inaccurate when compared with the results of the 2011 Census (see paragraph

3.100): average household size in London was found to be much higher than it had been projected to be by the DCLG based on trends. This manifests itself in the form of suppressed household formation and overcrowding (and other phenomena such as ‘beds in sheds’). It is no doubt correct that the average household size is bigger in London and is tending to rise. This is what will happen if housing delivery fails to keep pace with projected levels of household formation, as has been the case across London over the last decade. However, whether it is correct (and in the spirit of the Government’s aim to address the housing crisis) to ‘embed’ such a tendency in future plans, rather than attempt to counteract it, is one of the conundrums of planning and policy making. The current consensus, however, is that the rise in the household size is probably more a symptom of a housing crisis and less one of culture or voluntary choice. Recognising this, the aim of current national planning policy is to try and rectify this undesirable tendency through increasing supply above the trend projection. There are two ways one could address this: either an adequate compensatory uplift to the projections to compensate for the backlog (i.e. and adjusted for the suppression of household formation or concealed households) or a market signals adjustment. The Government favours a market signals adjustment, while the GLA favours a backlog adjustment.

Although the GLA does make an allowance for the backlog, we consider its adjustment to be too small. We will discuss this further below.

The GLA could well be right that its own projections are more robust. Unfortunately, this has a knock-on problem for the measurement of population and housing need in a consistent way across England. This is especially important in the case of London which exerts a profound influence on the rest of the wider south east in terms of matters such as migration. If London assumes that there will be fewer people in London than the ONS/DCLG projections and this relates to the question of migration, then these people will need to be catered for by other local authorities. It is for this reason that it is important that every local authority in England uses the same data-set for the underlying demographic projection and why the GLA should default to the standard methods proposed by the Government.

Backlog versus market signals

As with the previous 2013 SHMA, the GLA adds to the baseline demographic projection by adding an allowance for a backlog: this is an assessment of how the undersupply of homes in London has effected the occurrence of household formation (e.g. suppressed household formation and concealed households) or the needs of particular groups that have not been catered for (e.g. overcrowding/disability/harassment). It undertakes an assessment of these factors and this results in an overall figure of some 425,000 households have some form of backlog need (see paragraph 7.18). The Mayor proposes to address this backlog over 25 years, resulting in an annualised figure of 8,761hpa (see paragraph 7.19).

The HBF does not dispute this figure. As discussed above, the assessment of housing need must comprise of more than a demographic projection as this would not allow for the effects of housing under-delivery on household formation – an issue which is a particular problem in London. While the HBF does not take issue with the need for an upward adjustment to the projections, we are not convinced that the backlog adjustment provides an adequate response to the effect of the housing undersupply in London and how this has suppressed household formation. The most obvious way this crisis is exhibited is through the problem of housing affordability.

The standard approach elsewhere in the country is to consider whether an adjustment should be made for market signals because relying on the basic trend-based demographic projections is unlikely to represent true level of housing need in any one area. This is because trend-based projections merely represent those fortunate enough to have been able to form a separate household rather than those because of the financial challenges or the lack of suitable accommodation, have had to delay this. The market signals element of the assessment has proved controversial at local plan examinations. We are aware that because the NPPG does not provide a firm steer as to how such an adjustment might be made, this was used as an excuse by too many LPAs to avoid making any sort of adjustment. This is why the Government has had to intervene to provide a standard formula to be applied by every LPA.

The Government has elected for a much simplified approach to assessing the OAN which dispenses with all the other various adjustments that could be considered as part of the OAN exercise (e.g. adjustments for suppression, market signals, employment needs, affordable housing needs, vacant/second homes). Instead it favours a household projection augmented by a market signals adjustment where the workplace-based median house price to median earnings ratio exceeds four (see paragraphs 20 and 21 of the consultation).

The problem of affordability is a challenging issue in London, as the Mayor's foreword to the London Plan acknowledges and at paragraph 1.4.3.

Affordability is stretched in London. Appendix 1 provides the most recent workplace-based median house price to median earnings ratios for all the London boroughs. These are some of the most expensive local authorities in the country. The average is 15.4 across London as a whole – in itself very high in the context of England as a whole, while some boroughs have extreme problems of affordability (e.g. Kensington & Chelsea). This illustrates the extent of the affordability crisis in London, and why a larger uplift than the Mayor's proposed backlog allowance needs to be embraced.

For the GLA, an uplift of 8,761hpa is considered adequate to compensate for the effects of past-under delivery and household formation suppression. The Government's proposed formulae, however, would require a far more generous uplift in London to counteract the effects of the housing under-supply on affordability. The adjustment is devised by Government with the specific policy objective in mind: to improve housing affordability. The Government's market signals adjustment when 'uncapped' would result in a figure that is some 39,000dpa above the demographic baseline (95,000dpa minus the baseline demographic projection of 56,000hpa for the period 2019-2029). This figure clearly compares unfavourably with the GLA's far more modest approach to rectifying the effects of past failure.

If one takes the Government's proposed 'capped' figure, then its market signals uplift would represent a circa 16,000dpa increase on the demographic baseline projection of 56,400hpa. This is still double the size of the GLA's adjustment.

In conclusion, we consider the GLA's approach to addressing the consequences of the housing crisis in London is too conservative. Its uplift to the baseline demographic projection is far too modest.

Vacancy / second homes adjustment

The GLA makes some final adjustments to its net requirement figure including the backlog (64,301hpa) by adding an allowance for second homes and vacancies (of

1.8% derived from the DCLG table 615 – see paragraph 7.20); an additional 1.8% to the requirement for homes of each tenure and type and 1.9% to for vacant homes in the market sector. This results in the addition overall of 1,577dpa to the demographic/backlog assessed need figure, resulting in the overall OAN of 65,878dpa.

These adjustments are sensible and considered acceptable adjustments under the current accepted arrangements for assessing the OAN. It is an adjustment required to convert what is essentially demographic projection of future housing need into a dwelling requirement for the purposes of land-use planning.

It is not an adjustment that the Government considers necessary under its proposed standard assessment.

Summary

Although the GLA's assessment of the demographic starting point of 55,540hpa approximates closely the DCLG projection for the next ten years of 56,400hpa we consider that for consistency in the practice of assessing housing need across the country, and to correspond to the period of time that the new London Plan housing targets are intended to operate over (2019-2028), the GLA should use DCLG 2015 household projection for the next ten years. Because the London Plan will be reviewed in five years, as the amended Regulations of 2017 require, the GLA can re-appraise the demographic projections at the point of the review.

The Government's proposed standard assessment

As said above, current Government guidance is not prescriptive but it encourages local planning authorities to follow the new method. It is well known by anyone involved in local plan examinations that the debate over the OAN can be opaque and arcane. It absorbs a disproportionate amount of time at local plan examinations. In recognition of this, and to provide more certainty and consistency for plan-makers and the public alike, the Government has decided that a simplified and standardised assessment of housing need is required. It published its proposal in its *Planning for the Right Homes in the Right Places* consultation in September 2017. The publication of this consultation was followed by the Autumn budget in which the Government announced a new national objective to provide 300,000 net housing additions each year in England. In his budget speech the Chancellor Philip Hammond announced the Government's plans to build 300,000 homes per year in the country. This higher target is partly devised to crack the problem of housing affordability in the country. As the Chancellor of the Exchequer stated:

"I'm clear that we need to get to 300,000 units a year if we are going to start to tackle the affordability problem, with the additions coming in areas of high demand."

At the time of writing the Government's conclusions on its proposed standard assessment model, and how the standard assessment will support this new national objective, are not yet known.

The proposed method involves taking the most recent set of DCLG household projections (soon to be provided by the ONS) and running a projection based on the next immediate ten years. This is then to be adjusted for market signals based on a standardised approach. There is much to commend this standard approach. The main benefits are its simplicity, the consistent approach to the treatment of factors such as headship rates and migration nationally (e.g. avoiding one area assuming

higher rates of net out-migration while an immediate neighbour assuming lower net in-migration); and a consistent approach to the adjustment of market signals so that everyone is obliged to make an allowance for this.

The implications of the Mayor of London 'opting out' of the standard approach requires some consideration. As mentioned above, the housing needs of London constitute a sizeable element of England's overall need. London also exerts a considerable influence over the rest of England and especially the wider south east. Many people commute into London for work – some 800,000 people a day (see paragraph 2.2.3 of the London Plan). The Mayor's migration assumptions that underpin in his Central Variant is therefore an issue that is highly germane to the local plans of wider south east. If London expects net out-migration to continue and grow in line with its SHMA projection (see Figure 15), then plans need to be in place in the south east to cater for these migrants. This is why a consistent approach to migration nationally is so important and why we cannot afford for the Mayor of London to assume one thing – even if this has some credibility – but allow local authorities to assume something that is contrary to this.

The Mayor recognises this need for consistency hence the discussion in the London Plan (paragraph 2.3.2) about the development by the GLA of alternative household projections by the GLA for England which incorporate the Mayor's assumptions about migration and household formation and his ten year (past) trend-based projection. This raises an interesting issue that requires careful consideration: can the Mayor of London insist that others use his own projections and can he override the Government in this respect whose policy and guidance advocates the use of the ONS and DCLG population and household projections? What would be the implications for the country (and for planning as a coherent and rationale system) if every local planning authority in the country is allowed to devise its own projections?

Our answer to these questions is that the Mayor may devise his own projections but he cannot insist that these are more authoritative than those produced by the ONS and MCHLG. He cannot expect these to be used by the authorities of the WSE. Therefore, the Mayor ought to fall-in behind everyone else to ensure that we are using a common data-set and that we use the projections in a consistent way. This is important because the ability for the nation to plan properly for housing relies upon nationally consistent data and assumptions, such as the length of historic series of data used for the projection (e.g. whether one uses data from the last five or last ten years). It also requires a consistent treatment of household formation rates and migration. All this would break down if individual planning authorities, including the Mayor of London, are allowed to use their own figures. The HBF has become very concerned by this tendency over the last few years for local planning authorities to dispense with the official household projections in favour of their own local assumptions. This is creating a potential problem of 'under-counting' for housing in the WSE especially where one authority assumes much lower rates of net migration when London is assuming the opposite. Reigate & Banstead, Central Bedfordshire and Luton are three of the more egregious examples in our opinion, where one can see a great divergence between the official projections and what is being assumed locally.

Although the Government's decision on its proposed method is anticipated soon, we consider that there are two critical elements in the proposed method that make considerable sense for the Mayor to adopt for the purposes of assessing the OAN and planning for housing in England more generally. These are:

a) the use of a consistent demographic data set – which, in the case of the Government’s consultation, would require plan makers to use the most recent official DCLG (soon to be ONS) household projections using a forward projection for the next ten years ahead from the start date of the plan – e.g. in the case of the London Plan from 2018 to 2028. No other adjustments should be made for UPC or alternative headship rates; and

b) this should be coupled with a standard formula for the calculation of a ‘market signals’ uplift.

Both of these elements of the OAN calculation have proved to be vexed and time consuming issues at many local plan examinations. The question of what might constitute an appropriate market signals has caused considerable difficulty owing to the absence of a suggested calculation in the current NPPG.

The HBF considers that the Government’s proposed method – while arguably not perfect – does at least represent an important and practical step forward towards injecting some discipline into the problem of assessing housing needs. It is necessary to inject some certainty and consistency into the calculation of the OAN to ensure that plan-makers do provide a response to the problem of market signals (rather than claim it is an issue beyond their control, as some, like Kensington & Chelsea Council, argue). The Mayor should abide by the spirit of what the Government is attempting to achieve and align himself with the emerging method.

Some Combined Authority areas are already doing so in advance of the Government’s conclusion on its proposed standard assessment. The Greater Manchester Combined Authority will be re-basing its draft Greater Manchester Spatial Framework using the Government’s standard calculation (a consultation draft is expected in June). The Liverpool City Region Combined Authority is setting an OAN for the region to support its City Region Spatial Framework that aligns very closely (if not exactly) with the output from the standard calculation. This is to ensure a robust plan. The West Midlands Combined Authority working with other local authorities has recently completed an assessment of the OAN for the 14 local authorities of the region (constituent and non-constituent members) that results in a figure that aligns with the standard method. This is to provide a robust basis for the future planning of the unmet housing needs of the conurbation (there are very large unmet needs in Birmingham, the Black Country and Coventry). Leeds City Council is also re-basing its Local Plan using the standard method.

The Government’s standard method indicates that London should plan for 72,407dpa. This is 6,000dpa higher than the GLA’s own OAN of 66,000dpa.

We consider that the Mayor should align himself with the Government’s emerging standard method. The consultation (*Planning for the Right Homes in the Right Places*, DCLG) advises in paragraph 44 that the elected Mayors with plan-making powers should adopt the proposed method, although they can deviate from this if there are compelling circumstances. We consider that the need for a consistent approach to the treatment of migration between London and the wider south east provides a compelling reason why the Mayor should not develop his own projections. Moreover, the adjustment the Mayor makes for the ‘backlog’ (8,761dpa) is an inadequate uplift compared to the uplift that the Government considers is required to address market signals - about a 39,000 dpa uplift for London if the uncapped figure is used, or 16,000dpa if the capped figure is adopted.

We note in paragraph 7.25 of the 2017 SHMA that the GLA considers the DCLG approach but applies this to a longer timescale of 2016-2039. This results in an annualised figure of 68,455dpa. The problem with this is that the Government advises the use of a 10 year period (2016-26 in its calculations), but for plans to be regularly reviewed to housing need can be regularly re-assessed. As the London Plan is in effect a 10 year plan, it would be appropriate to assess the need for its plan period based upon the exact same time period in the DCLG household projections.

The HBF's conclusion on the OAN

The Government's standard assessment of 72,407dpa is a 'capped' figure: the cap is to help local authorities adjust to what are sometimes very high increases in the levels of housing need to be catered for. This is certainly the case in London. The cap is at 40% above the annual requirement figure set out in the current local plan. The uncapped figure for London is 95,267dpa.

In its response to the Government's consultation, the HBF has argued that the capping is unjustified as the cap applies only where the method results in higher housing targets not when the housing figures decrease. There is no floor as such. There is no planning rationale for establishing a ceiling but not a floor. This is illustrated by the fact that under the standard method some local authorities have very low targets or even targets of zero. Because the Government has declared at its No. 10 Housing Summit in November that England needs to provide 300,000 net additions a year, and the standard assessment with the cap provides for only 266,000 homes a year, the case for a cap becomes less convincing. Without the cap the national figure (England) is 297,000dpa which is close to the Government's stated 300,000dpa target. For this reason, the GLA should consider the uncapped figure to be representative of the OAN.

It is therefore the HBF's view that the OAN for London should be the uncapped requirement of 95,267dpa based on the Government's proposed standard method. This could be rounded down to 95,000dpa for the purposes on plan-making.

We are aware that the Government has announced that plans that are submitted for examination before the revised NPPF is published need not have regard to the standard assessment (letter to Chief Planning Officers, from the Ministry of Housing, Communities and Local Government, 30 January 2018). However, for the reasons we have described above, we consider that the GLA should align with the standard method.

Can London accommodate the housing need?

The London Plan is unsound with regard to its assessment of London's housing capacity. It is unsound because its assessment is unjustified when the evidence is considered and ineffective because the London Plan is undeliverable.

Whether it is feasible for London to accommodate its need in full – whether the GLA's OAN of 66,000dpa is deliverable – is a key question. Assuming that the GLA is correct, and its figure of 66,000dpa as representing the OAN is sound, we have our doubts about the ability of London to recycle sufficient land to deliver 65,000dpa in full from 2019 onwards.

The GLA's 2017 SHLAA provides the evidence to support the case for London being able to provide 65,000dpa.

The 2017 SHLAA is a technically competent study and the way that it grapples with various issues is impressive. However, it differs in a very important respect from the SHLAAs that are produced elsewhere in the country to support local plans. Its central problem is that it is chiefly a theoretical assessment of capacity - one that relies to a very significant degree on analysing notional capacity and rates of delivery rather than the identification of specific sites and discussing these with site owners/applicants to agree housing capacity and likely build-out rates. To a degree this is understandable when one is trying to assess housing capacity across a very large and complex area such as London. It is probably unavoidable that an assessment of London's housing capacity would not have to take this form and rely to an extent on more theoretical assessments of capacity. We are sympathetic to the challenges facing the Mayor of London when assessing housing land supply.

Nevertheless, although the assessment of London's capacity does include a large element that is made up of identified sites – approved and allocated, a very large element of the assessment also relies on notional assessments of capacity and unidentified sites materialising over the next ten years. We consider this to be unsound. It represents too much of a risk to the delivery of London's housing requirements. Much more caution is needed.

To explain our concerns it is necessary to examine the various sources of supply in the SHLAA in more detail.

Large sites

One of the most critical elements in the assessment are the large sites which are approved or allocated for housing. These are sites that London will rely on most to meet its housing targets over the next ten years.

Large sites are those that are 0.25ha or more. The assessment includes 11,600 large sites (paragraph 3.1 of the SHLAA). Overall, for the period 2019 to 2028 the SHLAA has assessed that 400,643 homes can be provided on large sites (paragraph 5.1 of the SHLAA) or roughly about 40,000 a year. These are made up from four broad sources of expected supply:

- Approvals
- Allocations
- Potential sites
- Low probability sites

Figure 4.11 illustrates how these sources of supply spread out across the London boroughs.

Approvals

The approvals contribute to 7% of the large sites assessment (Table 4.2 of the SHLAA). Overall approvals will provide 36% of the homes anticipated from the large site capacity by 2041 (see Table 4.5). Approvals are relatively uncontentious and could probably be relied upon to contribute to the 10 year housing targets.

However, for approvals there could be significant delays relating to securing detailed planning permission. Phasing assumptions, anticipated rates of build-out, and the density of development, will have an impact on the extent to which even approved sites might contribute to the 10 year targets. Appendix E does not really provide the detail to enable one to check whether approvals have full detailed planning

permission and what the anticipated build-out rate, assumed density and what the site trajectory is. Moreover, the permission for some of these sites might elapse over the next 10 years and they may never be implemented.

Whether this is likely is a matter that can only really be assessed in detail at the local plan level with a local plan supported by a local SHLAA and the five and ten year housing land supply assessment and trajectory. Because these supporting local plans with their housing land supply evidence might not be produced in time for successful implementation of the draft London Plan housing targets by 2028 it is questionable whether one can be confident that all approvals will materialise as fully built-out sites by 2028.

Allocations

Allocations are more uncertain. These provide 10% of the overall capacity from large sites (Table 4.2). They will contribute 31% of the homes from large sites that are needed by 2041 (Table 4.5)

Allocations are an accepted part of a housing land availability assessment. However, whether an allocation is truly developable and deliverable is another matter. While the London Boroughs may have undertaken a sift of these sites (see discussion in paragraph 4.8 and 4.15), this is something that really requires external scrutiny at a local plan examination. The public cannot afford to take the word of the GLA and the local planning authorities on this matter. The deliverability and developability of an allocation requires scrutiny. It requires interested party or parties to be willing to develop the site and then for a planning application to be made. It is highly likely that a significant number of allocated sites will not be implemented over the next ten years, as has been the case to date with the findings of the 2013 SHMA.

As with approvals, the deliverability and developability of these allocations is something that can only be properly assessed at the local level through the examination of the Local Plan. Unfortunately, if these allocations are found to be undeliverable at the Local Plan examination, then it will be too late for the GLA to put in place an alternative strategy to rectify any major shortfall, just as the current London Plan has been unable to rectify the shortfall that has accumulated against the current London Plan targets.

Potential sites

The 'potential' sites equate to 30% of the large site housing supply – 199,583 units in total to 2041. This is a sizeable figure. Potential sites will be relied upon increasingly from 2019 onwards to provide the homes needed, as Figure 4.12 illustrates. Whether these 'potential' sites can satisfy the requirement of the NPPF that they are deliverable and developable is something that can only be satisfactorily tested at the Local Plan level. The footnote 12 of the NPPF defines a developable site as: "to be considered developable, sites should be in a suitable location for housing development and there should be reasonable prospect that the site is available and could be viably developed at the point envisaged".

Many sites may have the 'potential' for housing development, but whether that potential can be realistically turned into a planning permission and implemented within the 10 year duration of the London Plan is another matter. The deliverability of the sites that fall within the 'potential' category and the density of development will need to be tested and examined publicly at the local level.

Low probability sites

The low probability sites make a relatively small contribution to large site housing supply for the period 2017-2041. They provide 20,500 units or 3% of the overall large site capacity. Figure 4.12 shows that they will make a marginal contribution to the land supply of the ten year targets in the draft London Plan equivalent to 1%, where they will support delivery in phase 3 – or the last five years the targets will operate over. Table 5.5 shows that 4,121 dwellings are expected from this source between 2019 and 2028.

We accept that the marginal nature of the contribution from low probability sites, but given their ‘low probability’ as deliverable residential sites they should be discounted from the assessment. If this was a longer plan with housing targets that extended beyond 2028 then this would matter less, but the NPPF requires “specific deliverable” sites in the first five years, where there is a ‘realistic’ prospect that housing will be delivered on site (footnote 11), and for years 6-10, the NPPF requires specific developable sites where there should be a “reasonable prospect that the site is available and could be viably developed at the point envisaged”. A site that falls into the low probability category provides neither a realistic or reasonable prospect for residential development.

Relative contribution of approvals, allocations, potential and low probability sites to the 10 year housing targets

Figure 4.12 shows that although approvals will form the largest part of delivery in phase 1 (2017-2019) by phase 2 (2019-2024) and phase 3 (2024-2028) the London Plan will depend increasingly on allocations and potential development deliver the homes needed.

Paragraph 4.33 states that approvals will be responsible for 75,800 homes in the two years of phase 1 but this falls to 102,000 homes in the five years of phase 2. By phase 3 – the critical final five year phase of the 10 year London Plan housing targets, approvals will account for just 35,000 homes. Allocations and potential development will need to come forward much more strongly to fill the gap in supply.

The critical test of soundness for the London Plan is the extent to which these large site approvals and potential sites do in the end translate into deliverable sites. This is not something that the London Plan can reasonably guarantee. Although the SHLAA provides a reasonable assessment of capacity at the theoretical level, there is a need underpin the theory with more certainty by testing the deliverability and the density of the identified sites at the local level.

The HBF is unpersuaded by the reliability of GLA SHLAA in terms of its assessment of large site capacity.

Sifting measures

We acknowledge that measures have been taken to sift the sites. We note paragraphs 4.15 and 4.16. The local planning authorities deleted some 535 sites and the GLA deleted a further 816 where there were multiple ownerships (breaking these down and assuming that they would come forward as smaller sites instead). A further 3,860 sites were excluded for reasons outlined in Table 4.4.

While these sifting measures are sensible they cannot be relied upon to supplant a local level assessment of deliverability undertaken by local authorities in conjunction

with land owners, site promoters and developers etc. The sifting of the deliverability and developability of sites must involve other parties, and not just local planning authorities, as the NPPG advises at paragraph 8 (ID: 3-008-20140306).

Small sites

The GLA's assessment of capacity from its modelled small sites category is unsound because it is unjustified.

The other important component of the housing land supply calculation is the GLA's modelled small sites. Modelled small sites (which are distinct from the windfall allowance) will account for 28.7% of London's overall housing supply (see table 9.1 of the SHLAA, page 167). The most important thing to note is that the modelled small sites component is a notional figure; it is not made up of actually identified sites. Because the small sites component is unidentified, this means that it is really a windfall allowance. To make a separate but additional allowance for windfall could amount to double counting. However sophisticated the modelling might be, it is still a windfall allowance.

Small sites are defined by the 2017 SHLAA as all those of 0.25 ha in size. Such sites are not typically identified by the SHLAA exercises undertaken by local authorities. They are usually calculated as part of a windfall allowance. This is the expectation in the NPPF as explained at paragraph 48. The windfall is anything else that might be expected to come forward that has not already been identified albeit there is an expectation that large sites should be identified and allocated. It is sensible to make an allowance for windfall as part of the assessment of the five year land supply.

The problem with the GLA's 2017 SHLAA is that it makes an allowance for small sites and an allowance for windfall, and then is projects both of these allowances over ten years, rather than just five.

The GLA is stretching the tolerance of the land supply assessment for London.

The GLA's approach to its modelled small site assessment

There are many questionable approaches to the approach to assessing the likelihood of small sites materialising and translating this into an allowance.

Approach 1 uses an 8 year post recession trend but 2008/09, 2009/10 and 2010/11 were recessionary years. Approach 2 uses 12 years of trend data. Both approaches however do not discount adequately for the effect of paragraphs 48 and 53 of the NPPF on the development of residential gardens. Approach 1 does apply a discount but the adjustment is unrealistically small (1%). Paragraph 6.11 assumes that the inclusion of the word 'demolition' in an application means that garden land has not been developed – only existing buildings - is highly questionable as a proxy for ensuring that the presumption against the development of gardens is reflected in the GLA's small site assessment method. Back garden development or urban intensification will often involve the demolition of existing structures (e.g. house and/or garage) as well as the development of garden land. The result is that completions on small sites is discounted by only 1% whereas the effect of the paragraph 48 and 53 restrictions on the development of residential gardens is likely to be more far reaching than that.

This is a further reason why the detailed assessment of housing land capacity must be undertaken at a local level and why the London SHLAA is probably being far too generous in its assessment of capacity.

Approach 3 is a modelled scenario (page 128 of the SHLAA onwards) which takes into account the effect of the policy changes in the new London Plan to facilitate small site development. This is not an unreasonable approach, but it is still an assumption. The modelling depends on 1% of the existing stock of houses increasing in density in PTAL areas 3 to 6 or within 800m to a tube station. While the criteria and the 1% appears to be cautious, it is still optimistic to expect that 187,900 houses will materialise from this source over 10 years beginning in 2019.

In addition, the conversion assumption for detached, semi-detached and terraced homes (paragraphs 6.26-6.27) whereby it is assumed that there will be a yield of 22 homes per year per 1,000 detached and semi-detached homes and 13 homes per year per 1,000 terraced homes (a growth assumption of 1%) while it reads as being very cautious, the redevelopment of existing residential areas is fraught with difficulties and complex local circumstances. We acknowledge the additional modelling to account for other restrictions (e.g. listed buildings and conservation areas) but supply from these sources is so uncertain that it should not form such a large component of London's planned supply.

It is also very doubtful that existing home owners will readily accede to the redevelopment of the curtilage of their dwellings to accommodate higher densities of development *and at the scale the GLA hopes might occur*. Most home owners do not need to become developers (and the economics of development are so fraught and complex, and the reward compared to the risk so marginal, that it isn't worth the time and effort. Therefore most people will be discouraged from doing so). The policies in the draft London Plan to encourage small site development are welcomed by the HBF, but it is unrealistic to expect that 18,790 completions each year, *starting in 2019*, will materialise from this theoretical source of supply.

By way of comparison, the figure of 18,630 dwellings per year from the modelled small sites source would represent about a threefold increase in homes from unidentified sources of land supply compared to the adjusted windfall allowance of 5,943. This is very optimistic even if one does take into account the potential benefits that might accrue from policy H2.

Windfall allowance

Windfall allowances have a legitimate role to play in housing land supply calculations. The NPPF, however, only expects the windfall to form a component of the five year land supply (NPPF, paragraph 48). The Government does not really expect windfall to form a large and critical element of a planned housing land supply assessment in the way that it is in the draft London Plan. Nevertheless it has generally become accepted in plan-making that a windfall allowance can be applied across the whole plan period. Ideally, planning authorities should not rely on windfall beyond the first five years. They should rely instead on specific permissions and allocations, as this will provide them with greater certainty and control over planning in their area.

The windfall component is made up of other types of small sites that are not covered by the small sites modelling (paragraph 6.35).

The windfall allowance is projected to yield 5,738dpa based on an 8 year annual average trend (see Tables 6.6 and 6.7).

While we appreciate the theory, we find it hard to distinguish between the modelled small sites and windfall because some of the trend supply from windfalls will have been in the areas modelled for the small sites component. The most important point, however, is that both are unidentified sources of supply and therefore one cannot rely on either of these components of supply. Both should be treated as windfall, and a more cautious assumption about overall yield should be used.

We consider that the separate allowance for windfall should be dropped from the capacity assessment.

Summary on small sites

It is possible that the policies in the draft London Plan to assist with small site development will help to lift levels of housing supply in London. The Mayor's measures to support the delivery of small sites are very welcome, but we fear that it will not yield the number of homes expected over the next ten years, or not as many as the Mayor imagines. There are few small developers out there currently who are 'champing at the bit' waiting to take advantage of the change of policy. Moreover, many companies will be discouraged from operating in London owing to the complexities and costs associated with operating in London. One of the UK's three biggest house builders refuses to operate in London for these very reasons. The HBF has no small developer members who currently operate in London.

There may be an increase in the number of small developers operating in London in due course as a consequence of the small sites policy. The number of companies operating may increase in time, as the effect of various measures devised by the Government (such as those announced in the *Housing White Paper* and likely to be included in the revised NPPF) and those implemented by the Mayor begin to take effect. However, this will be a gradual process. There is insufficient capacity at the moment to make the giant leap required by the GLA to ensure that some 19,000 homes a year can be provided on small sites from 2019 onwards.

We consider that a far more cautious approach needs to be taken with regard to assumptions about the capacity of small sites to yield homes – or at least for the next few years. We will recommend an alternative approach below. More time is needed to monitor and assess the effectiveness of the London Plan policy to encourage small site development and to what extent this has improved levels of delivery. If supply from this source does materialise to the degree that the GLA has modelled then this could be factored into the review of the London Plan in five years' time or sooner. For now, the risks to housing supply and meeting people's needs are too great should the GLA's expectations of supply from this source prove to be flawed.

An alternative and more cautious small site supply assumption

We do not consider that separate allowances should be made for small sites and for windfall; they are essentially the same thing because both categories consist of unidentified sites. The separate allowance for windfall should be discounted as some of the sites in this category will be those that would appear under the small site modelling assumption. Dropping this category would reduce the capacity in London by 5,738dpa (see Table 6.6).

An allowance for small sites should be included and this should be re-classified as a small site/windfall allowance.

We do not consider that small sites assumption of 18,790dpa is credible. This represents a huge leap in delivery from this source compared to past trends.

We consider that the annual average trend from over the past 12 years from 2004/5 to 2015/16 (see Table 6.3) would represent a more appropriate as well as prudent basis on which to calculate the small site assumption. This would indicate that some 129,940 homes were provided through a combination of change of use, conversions, new build and infill development within a residential curtilage. The merit of this longer time-frame is that it would reflect a period before the Government's change in policy that allowed local authorities to introduce policies to discourage garden development came into effect in 2011. The annual average would be 12,994dpa. This could be rounded-up to 13,000dpa.

We acknowledge that this would not reflect the Mayor's change in policy approach – although it does to an extent by drawing upon a period when back garden development was more prevalent – the beneficial effect of the Mayor's small site policy is unknown. Moreover it is likely to encounter problems, local resistance and it depends on some supporting actions by the London boroughs (e.g. the production of design codes and adoption of local development orders) to make it happen.

A higher small site assumption could be adopted through a review of the London Plan should the Mayor's small site policy shows that it is proving to be effective.

Therefore the overall small site and windfall capacity for London should be 13,000dpa.

HBF's conclusion on the housing capacity of London 2019-2028

Large sites

The low probability sites should be discounted. This results in a large site capacity figure of 396,522. This should be rounded down to 396,500. This gives an annual average figure of 39,650dpa. This is still a very generous allowance.

Small sites

The small sites and windfall allowance should be 130,000 over ten years or an annual average of 13,000dpa based on the last 12 years.

Overall housing capacity

Overall housing capacity for London is 526,500 homes or an annual average of 52,650dpa for the next ten years. This could be rounded-up to 53,000dpa for the purposes of planning.

This is the figure that should provide the basis for London's housing requirement (distinct from the OAN).

This would still represent a very large increase on the current London target of 42,000. In view of the fact that the London boroughs have failed to exceed this figure to achieve the OAN of 49,000 we consider our recommended capacity figure to still represent a very generous assessment of London's likely capacity. The difference between the current target of 42,000dpa and our proposed figure of 53,000dpa would provide some generous scope to account for the Mayor's policy shift to encourage small site developments.

To what extent can the Mayor rely on the London planning authorities identifying sufficient capacity to achieve their targets?

As the SHLAA report states in paragraph 1.5, it is not a site allocations exercise. It provides an indication of aggregate housing capacity at local planning authority level across London. It goes on to observe – reflecting the NPPG – that SHLAAs do not determine whether a particular site is allocated for development. This is the function of the development plan document, for example, the Local Plan or site allocations plan or area action plan.

This is correct. However, it is questionable whether this study can replace the need for the London local planning authorities under-taking detailed, local level SHLAAs that identify reliable capacity – an exercise that complements the higher-level London SHLAA. There is a tension here between what the draft London Plan is saying (and how it might be interpreted) and what the NPPF expects at paragraph 47 in terms of identifying specific, deliverable sites for the next five years and years 6 to 10. The draft London Plan states at paragraph 4.1.8 that the London planning authorities are ‘encouraged’ to identify as many sites, including small sites, as possible via their Development Plan Documents and brownfield registers. This is an ambivalent statement and one that is contrary to the NPPF. If allocations can only be made through a Development Plan Document (brownfield registers cannot allocate sites) then sufficient sites in a Development Plan Document will need to be identified to demonstrate a robust plan and they will be required to do this, and not simply be encouraged to do so. The London Plan will need to be amended to make this clear.

The Mayor of London cannot re-interpret the NPPF for the London boroughs in relation to what is required of them in terms of Local Plan preparation. The Mayor’s powers do not extend this far.

A second issue follows from this: whether supporting Development Plan Documents can be produced quickly enough to enable the 10 year targets set by the London Plan to be delivered in full by 2028? Although the housing targets immediately become part of the development plan for London once the London plan is adopted, the land needed to deliver the targets requires subordinate local plan production and adoption. Because of the short duration of the housing targets (they are only 10 year targets), there will be no scope for ‘back-loading’ – i.e. a rising or asymmetric trajectory – where delivery (completions) gathers momentum as large strategic schemes secure planning permission. Delivery will therefore have to be sustained at a rate of 65,000 completions a year over each year of the ten year plan from the very start in 2019 to have any realistic chance to meet the overall target. This is unfeasible.

Therefore, a lot of the large and strategic sites will already need to have been both permitted and allocated already to ensure the delivery of 65,000dpa from year one. The London Plan cannot provide a reasonable guarantee that there are sufficient deliverable sites for the next five years, and an adequate number of specific developable sites for years 6 to 10.

As the NPPF reminds us, Local Plans should be aspirational but realistic (paragraph 154). I am afraid the London Plan, despite containing some good elements, is wholly unrealistic in this regard.

Managing the five year land supply and possibly the Housing Delivery Test

It is unclear how the five year land supply discipline would operate across London if the Mayor is arrogating much greater control over the affairs of the 35 local planning authorities by virtue of setting the housing targets for each borough and telling them that they need not produce part one (core strategy) local plans. If delivery falters significantly in one (or more) LPA area, it is unclear how this might be remedied in sufficient time to ensure that the shortfall could be made-good somewhere else so that London's overall need for 650,000 homes can be provided for by 2028. It might be the case that it is impossible to identify sufficient land in the borough, and an increase in land supply would have to be provided in another borough/s.

One of the purposes of the five year land supply discipline (and the Housing Delivery Test if it is introduced by the Government) is to provide a forewarning to a local planning authority that there might be a danger of significant under-delivery. This would provide time for alternative sources of supply to be brought forward in time to fill that gap. If alternative sources of supply cannot be identified, then this would signal the need for an immediate review of the Local Plan. The ability to maintain a five year housing land supply is, in many respects, the measure of the soundness of the plan in terms of its housing objectives.

As things currently stand the London Plan fails to adequately monitor performance across the 35 London local planning authorities. Nor does it provide a remedy that helps to address the shortfalls that have accumulated. This is true of the current London Plan. In London, any shortfalls that have accrued at the borough level are effectively just ignored and a review of the London Plan is relied upon to justify any inaction by the London LPAs and the Greater London Authority. There is no effective mechanism in London to address these serious shortfalls through a change in strategy or a rebalancing / reapportioning of the housing targets among the 35 LPAs outside of the review of the London Plan.

We are very concerned that if any large undersupply begins to accumulate quite early on in the life of the new London Plan that there is an adequate mechanism in place to ensure that this undersupply is not ignored and that an early review of the London Plan is triggered. As the draft London Plan will require 65,000dpa to be provided each year from year one, if this target is not achieved in 2019, then the London Plan must be subject to an immediate review.

It remains the HBF's view, however, that the delivery of 65,000dpa is not feasible on the basis of the current strategy.

Paragraph 4.3.3: Housing Delivery Test

The London Plan states that the Housing Delivery Test that the Government might introduce "*should not unfairly penalise boroughs where housing delivery has been constrained due to factors that are outside of their control*". This statement demonstrates a misunderstanding of the Housing Delivery Test. The Test is proposed to assist local planning authorities in managing housing delivery. It will introduce a presumption in favour of sustainable development if a certain percentage of the targets are not achieved in various years. The Housing Delivery Test, if introduced, will provide an important check on the soundness of a local plan, possibly prompting an early review if the targets are being routinely missed and cannot be remedied by bringing forward allocated sites sooner.

As with the five year housing land supply, the Housing Delivery Test will be a mechanism introduced to help local authorities maintain housing delivery and it cannot be dis-applied by the Mayor of London through the London Plan. *This statement should be removed as it is unsound because it is inconsistent with current national policy in terms of the five year housing land supply, and emerging national policy in the form of the Housing Delivery Test.* This is an example of the Mayor arrogating powers over the application national planning policy that he cannot legitimately take.

Net additions to the housing stock in London over the last decade

In our overview at the beginning we referred to the number of net additions that have typically been achieved in London in the past twenty years. While past performance should not necessarily be taken as an indicator of future performance – and it should certainly not be considered a proxy for housing need – it does provide a sense of the step-change in delivery required to provide the required number of homes to accommodate the OAN.

The table in appendix 2 provides details on the number of net additions to the housing stock (from all sources) in London since 2004 (the date of the first London Plan). This data is drawn from the GLA's Net Additional Dwellings Total Stock – Boroughs spreadsheet available at <https://data.london.gov.uk/dataset/net-additional-dwellings-borough> and the most recent AMD for the London Plan (*London Plan: Annual Monitoring Report 2015/16*, GLA, published July 2017). It is compared with the DCLG's record of net additions provided in Live Table 122.

There is a very significant disparity between both sets of data on completions. Why this is the case is unclear.

On the basis of the Mayor's figures, net additions were healthy in the years before the recession began to bite, with net additions tending to exceed the London Plan targets quite comfortably. The highest number of net additions was 48,970dpa in 2008/09 with a strong social housing grant programme behind this. Numbers delivered faltered in the post-recessionary period although the 2011 London Plan targets were generally achieved (except in 2012/13). Since the new London Plan was adopted delivery has not kept pace with the housing targets – neither the minimum target of 42,400dpa nor the full OAN of 49,000dpa that the boroughs were required to identify additional supply to meet. 38,583 homes were provided against the first year of the current London Plan, resulting in an accumulated shortfall of 3,836 homes across London.

Judged against the DCLG's figures, delivery has been uniformly very poor against the previous London Plan targets except for the first London Plan with a target of 23,000 net additions from 1997 onwards. However delivery was markedly better in 2016/17 compared to all previous years.

Whichever data-set is correct, the step-change required to deliver 65,000dpa from 2019 onwards represents a significant departure from the historic pattern of completions. Although we recognise that overall numbers of completions achieved will have been strongly influenced by housing targets and corresponding land allocations in local plans – we question whether it is feasible to deliver 65,000dpa over the next ten years.

The unmet need

The London Plan is unsound because it is not positively prepared as it does not provide a plan that will address the unmet housing need.

Assuming that the OAN for London is a sound figure, the London Plan is unsound because it fails to provide a plan that shows how this unmet need will be catered for elsewhere. Although this unmet need is relatively small, the new London Plan nevertheless does result in unmet housing need of 10,000 homes – the difference between the Mayor's OAN of 66,000dpa and an assessed capacity that can accommodate 65,000dpa. This amounts to 10,000 dwellings overall over the 10 year plan period. The statement in paragraph 2.3.1 of the Draft London Plan that the Plan can accommodate all of the London's housing need within its boundaries is not strictly true.

Although the figure is relatively small in the context of London's overall need and planned supply, it is still a sizeable number when considered in the context of elsewhere in the country. The unmet need is equivalent to the overall unmet housing need of Luton (assessed at the recent examination to stand at 9,000 dwellings over its plan period) and comparable to Brighton & Hove's unmet need of 18,000 dwellings. The unmet need is also equivalent to a town like Potters Bar on the edge of Greater London which at the time of the 2011 Census was recoded to have 9,500 households. This is clear unmet need that cannot be ignored. It needs to be planned for otherwise it will contribute to the housing problems being experienced across the wider south east with ex-Londoners acquiring homes at the expense of existing residents especially in those areas enjoying good transport links with London.

The Mayor will need to demonstrate how he has taken responsibility for planning for the unmet housing need. The Mayor has a statutory duty to 'inform and consult' 'with adjoining counties and districts' outside London (paragraph 2.2.6). This is similar to the duty to cooperate (as paragraph 2.2.7 of the London Plan discusses). The London Plan is not bound by the duty to cooperate because it is not a development plan document. Nevertheless, it is our view that the Mayor has effectively assumed responsibility for the duty by arrogating to himself powers over what the London boroughs should do in terms of Local Plan preparation across London (see for example paragraphs 0.0.22, 1.4.4 and 4.1.2). The Mayor cannot dictate that the London boroughs do not produce part 1 Local Plans that are essential to demonstrating how the Duty to Cooperate has been discharged while also absolving himself from responsibility from the Duty.

This would mean that in terms of planning strategically for housing no one is responsible for this under the Duty to Cooperate.

In terms of the size of the unmet need that someone needs to be responsible for planning for under the Duty to Cooperate (and we think it must be the Mayor) we consider that the unmet need is higher. On the basis of our more cautious assessment of London's capacity using a lower small site yield figure, we consider that London may only be able to accommodate 53,000 dwellings per year, and therefore London's unmet need against the Mayor's OAN calculation (66,000dpa) would be 13,000dpa.

It will also be apparent from these representations that the HBF considers that the OAN is higher: that a more representative figure for the OAN of London is the Government's uncapped figure of 95,000dpa. If the Mayor was to agree that this figure does represent a more appropriate OAN for London then it is obvious that the

size of the housing shortfall for London increases to 42,000dpa, or 30,000dpa if the housing capacity assessment of 65,000dpa is considered to be credible.

Policy H1: Increasing Housing Need

Part A of the policy is unsound. The housing target is unsound because it is unjustified. The objectively assessed housing need (66,000dpa) and the housing target (65,000dap) is unjustified for the reasons we have set out in detail above.

Part B of the policy is unsound because it is unjustified, ineffective and inconsistent with national policy.

B 1) The Mayor of London cannot tell the London LPAs that they are only required to publish 'delivery-focused Development Plans'; i.e. that they are not required to publish part one strategic local plans. While the London LPAs may choose to do this, the Mayor cannot direct them to do this. This should be deleted from the policy.

B 1) c) This is unsound because it is ineffective. The Opportunity Areas are an important component of London's expected housing land supply, but delivery has been poor to date. The delivery timetables for the OAs is unclear and the densities of housing that might be achieved in these areas is entirely notional. They cannot be wholly relied on to contribute to London's OAN. There is no remedy in the London Plan if there is a serious shortfall against the expectations that the Mayor has for these locations.

B C Part 1 brownfield registers will only identify potential sources of supply. The permission in principle only applies to sites included in Part 2 brownfield registers. It would be helpful if the London Plan reflected this.

B D Housing trajectories. These are valuable, but if the Mayor is assuming much greater central control over housing delivery in London (by virtue of specifying that part one Local Plans should not be published) then he also needs to take responsibility for any under-performance across London. As we have argued above, the delivery of 65,000dpa needs to be achieved from year one onwards. The Mayor needs to undertake an analysis of the housing trajectories produced by all 35 London LPAs in year 2019 as well as completions. If this analysis of the trajectories indicates a shortfall in supply against the London Plan targets, then this will need to trigger an immediate review of the London Plan.

The Policy should be amended to refer to the need for an immediate review of the London Plan triggered by a) failure to meet the target of 65,000dpa in 2019; and b) failure of the trajectories to demonstrate an adequate, deliverable, housing land supply up to 2028 to sustain delivery of 65,000 homes annually.

Table 4.1

We struggle to understand how a period 2019/20 to 2028/29 equates to a 10 year plan period. This is nine years. A ten year plan period, based on a reporting year running from 1 April to 31 March, would need to run from 2019/20 to 2029/30.

Policy H2: Small Sites

The policy is unsound in some respects.

The HBF is broadly very supportive of the measures introduced by the new London Plan to increase the number of small sites developed for housing despite our major reservations about the numbers of new homes that can realistically be expected from this source.

B 2) *This part of the policy is unsound because it is ineffective.*

The preparation of Design Codes will be important if small site delivery is to benefit from the 'permission in principle' and the 'presumption in favour' as outlined in part D and E of the policy. As we have stated frequently in these representations, the London Plan will need to provide a realistic prospect that at least 65,000dpa can be provided from the very outset of the London Plan coming into force. We cannot afford any delay, as it is unrealistic to expect heavily back-loaded targets to be delivered over such a short period of time (but nor should heavy back-loading always be tolerated). Unless the Design Codes for each of the 35 LPAs have already been published, there is little prospect that these will be produced in time to enable 25,000dpa from small sites to come forward by benefitting from the 'permission in principle' or the 'presumption in favour'.

The London Plan is flawed – and consequently – unsound in this respect, unless the Mayor can demonstrate that 35 Design Codes have been produced by 2019. The failure to produce Design Codes in time for all of London will militate heavily against the achievement of the 25,000dpa small sites target.

Aside from this there is a related problem of interpretation. The production of a Design Code is one thing, but the HBF fears that there is still huge scope for interpretation over the extent to which a scheme has complied with the 'spirit' of the Design Code for a local authority in question. This is another obstacle that will tend to militate against the delivery of 25,000dpa from small sites.

Part H *This part of the policy is unsound because it conflicts with national policy.*

Current national planning policy exempts schemes of ten units and fewer, or with a gross floor space of no more than 1,000 sqm from S106 affordable housing and other tariff style contributions (unless they are in designated rural areas where a lower threshold can be applied). The purpose of the Government's policy is to provide assistance to small developers, custom and self-builders.

The Mayor's aim to increase the supply of homes from small sites is undermined by his decision not to apply the policy measure introduced by Government designed to help achieve precisely this objective. We recommend that part H of the policy is deleted. If the London LPAs consider that there is good reason to dis-apply the national policy, then they can justify this through their local plans (as some currently do – e.g. Camden Council in its recently adopted Local Plan, but where it has not been justified in other areas, such as Sutton). However, such is the scale of task in the London Plan to secure delivery from small sites, it is the HBF's view that the London Plan should adhere to the national policy approach.

Paragraph 4.2.11: Amalgamation of separate flats

The HBF agrees that the tendency to amalgamate flats into larger homes should generally be resisted across London. This preference should be given the weight of policy, rather than sit in supporting text. We recommend that this should be included as a policy in Policy H2.

Policy H3: Monitoring Housing Targets

The HBF is broadly supportive of the policy as worded. However, Part B ought to be amended to reflect the risk that is associated with the Mayor's small sites assumptions and the risk that these may fail to materialise in the number expected. As we have argued above, if the targets in Table 4.2 fail to be achieved by a significant margin in the first year of the Plan – in 2019 - then this will need to trigger a review of the London Plan.

Part C – this is a sensible compromise. A student bedroom should not be counted as equivalent to a home. The HBF is becoming increasingly concerned about the counting of bedrooms in the C2 use class towards the housing targets and such rooms being considered equivalent to conventional housing. We acknowledge that the supply of student rooms can help to alleviate the pressures on the conventional housing stock, but there is an issue to do with the expansion of student population in London that is not adequately being caught by the Censuses. For example, if a new educational institution is founded in London, or an existing one increases its student intake, then this may not be caught by the Census. According to table 2.6 of the last London AMR for 2015/16 the supply of non-conventional 'homes' constituted a very large element of the overall 'housing' supply in some London LPAs. Some of the most notable examples are:

	<u>Net conv</u>	<u>Net non conv</u>
Hackney	838	1,030
Lambeth	1,348	1,077
LLDC	547	759

Part D – this seems like a sensible compromise for non-self-contained accommodation for older people. We hope this measure will encourage London authorities to make more space for homes for older people. We will comment further on policy H14.

Policy H5: Delivering Affordable Housing

Generally we are supportive of the approach set out in the policy. The affordable housing challenge is severe in London although we question the extent to which this can be resolved if the London Plan establishes a very ambitious 50% affordable housing target that many sites will struggle to achieve. This judgement is based upon the HBF having considered the viability evidence that supports the local plans of the London LPAs over the last five years. An unrealistic target, might just delay the approval of housing schemes, thereby acerbating the affordability crisis.

We acknowledge that the 50% figure is a strategic target that the Mayor hopes will be achieved by publicly owned sites providing at least 50-60% affordable housing to compensate for lower rates of affordable housing supply on sites that are to be developed by the private sector.

Part B of the Policy is unsound because it conflicts with national policy.

Part B should be amended to reflect the Written Ministerial Statement of the 28 November 2014 which was introduced to provide support for small developers, custom and self-builders. The policy should reflect the exemption from affordable housing contributions and other tariffs requirements for schemes of ten units and fewer or where the gross floor area is no more than 1,000spm. WE consider that it is

necessary for the Mayor to align with the national policy to achieve the ambitious small sites targets that are in the London Plan.

Policy H6: Threshold approach to applications

Elements of the policy are unsound because they are unjustified and ineffective.

The HBF is generally supportive of the Mayor's threshold approach to affordable housing in the draft London Plan. It is however an experiment and it requires very careful and constant monitoring to assess what effect it is having on housing delivery. We appreciate the merits of the approach. We did not welcome the attempt to introduce this change through the SPG, as we considered that it had to be done through the London Plan because it does amount to a change in policy (despite what the Mayor asserts). We considered that the SPG did amount to a change in policy because it:

- a) Established an affordable housing target of 50% for London as a whole that is not in the current London Plan;
- b) it establishes a minimum rate of 35% affordable housing that is higher than some London Local Plans (such as Harrow's and Bromley's);
- c) it establishes a threshold – a minimum target - when one did not exist previously – as in the case of Barking and Dagenham's Local Plan.
- d) It expects early and late reviews to become the norm for any scheme that is unable to achieve the minimum threshold of 35%.

The HBF attaches no weight to the SPG because it conflicts with long established planning practice, as articulated in the NPPF, that supplementary planning documents should not be used to introduce new policy (NPPF, paragraph 153). The formulation of planning policy requires transparency and public accountability. Policy needs to be tested through an examination in public.

Whether the policy will prove to be successful in helping to sustain housing delivery in London, and improve overall levels of affordable housing supply, is very uncertain. This is because of the difficulty of applicants guaranteeing at least 35% affordable housing against the Mayor's preferred tenure split as well as full policy compliance in all other areas to the satisfaction of the Mayor and the London boroughs. This is the requirement of H6, Part C, 3). No application for residential development made in London is ever able to be fully policy compliant in all respects. See also our comments below in relation to Policy DF1.

To provide flexibility, and to restore an element of discretion to the London boroughs, we strongly recommend that Part C 3) is re-drafted to allow the London boroughs to decide the overall policy package having regard to the overall viability of the scheme and other material considerations. Therefore we recommend the following change to Part C 3):

“meet other relevant policy requirements and obligations where feasible and viable to the satisfaction of the borough.”

Part A is unsound because it is inconsistent with national policy. National policy actually exempts schemes of ten units or fewer. Therefore, Part A should be re-drafted to read “proposals which are capable of delivering more than eleven units...”.

Part B is unsound because it is inconsistent with national policy. The text says that the 35% threshold will be reviewed in 2021 and it may be increased through an SPG.

The Mayor cannot introduce new policy, or a revision to existing policy, through SPG. If the threshold is to be altered it can only be done through a revision to Policy H6 of the London Plan. It could do this through a focused review of that policy if necessary.

We also consider that a review of the London Plan and policy H6 may be necessary sooner than 2021 if the evidence shows that the target is contributing to a fall in the number of schemes coming forward and consequently a fall in completions overall. We acknowledge that it might be hard to disentangle and isolate the main contributing reasons for a fall in housing delivery – and it will vary with each site – we consider that if delivery does falter – for whatever reason – then a reduction in the affordable housing threshold target might need to be considered to help London get back on track. Such an approach incorporated in the London Plan would be consistent with the NPPF which states in paragraph 49, that relevant policies for the supply of housing should not be considered up-to-date if the local planning authority cannot demonstrate a five year land supply. If the Mayor is becoming the de-facto principle plan-maker for London, by virtue of his determining the housing targets for each borough, based on his capacity assessment, then he must also take responsibility for the delivery of the housing targets.

Therefore, we recommend that Part B is redrafted to read:

“The effectiveness of the 35% threshold in supporting housing delivery will be reviewed in 2019 and if appropriate, a review of the London Plan will commence to revise Policy H6 if by 2020 housing delivery has fallen below the target of 65,000 net additions.

Part E 2) is unsound in terms of early and late stage viability reviews because it conflicts with the Government’s advice in its national guidance.

The Policy requires that those applicants who have to go down the Viability Tested Route are to commit to Early and Late stage reviews. The Government’s guidance in the NPPG considers that reviews after planning permission has been granted should only be considered for multi-phased (usually large) schemes that will be built out gradually over a long period of time where values may well fluctuate significantly. As the NPPG advises at *Paragraph: 017 Reference ID: 10-017-20140306*:

How should changes in values be treated in decision-taking?

Viability assessment in decision-taking should be based on current costs and values. Planning applications should be considered in today’s circumstances.

However, where a scheme requires phased delivery over the medium and longer term, changes in the value of development and changes in costs of delivery may be considered. Forecasts, based on relevant market data, should be agreed between the applicant and local planning authority wherever possible.

We do not think it is appropriate for the Mayor to expect all single phase developments to submit to an Early and Late Review. This would add delay and uncertainty and could prove injurious to sustaining housing delivery. This would certainly be inappropriate for small developments (those of 0.25ha and under) that the London Plan is so dependent upon. We recommend that Part E 2) is amended to read that:

“Viability tested schemes will be subject to an Early and Late Stage Review where such schemes involve several distinct phases to be built out over several years. Single phase schemes will not be subject to Early or Late Stage Reviews.

Exemption for older peoples’ accommodation providers

Providers of accommodation of older people (assisted care housing, supported housing, sheltered housing, retirement housing) should be exempted from the requirements of this policy. This is because they operate a very different business model to developers providing more conventional housing types. There are two main factors. First, the amount of development on a site that contributes to its gross development value (its sellable value) is much reduced compared to other more conventional housing providers building houses or flats. This is because many of the facilities provided on site by providers for older people, is shared area. Second, it is hard, and sometimes inappropriate to integrate affordable housing on site. Consequently, few older peoples’ schemes are able to viably provide affordable housing on site. They typically rely on providing payments in-lieu to contribute to affordable housing off-site.

We consider that the Mayor should make an exception for the providers of older peoples’ accommodation. Policy H6 should instead seek contributions in-lieu from these providers instead. This would be broadly consistent with the viability evidence produced to support the London Plan (*London Plan Viability Study*, December 2017) which concludes that sheltered housing is unable viably to provide 50% affordable housing in the lower value zones (D and E) and that while Extra Care housing is able to achieve 35% affordable housing in Zone C it cannot in zones D and E. Since a large element of the proposed new housing supply is hoped to come forward in the outer boroughs where development values will be weaker – generally corresponding to zones D and E – we consider that it would be sensible to follow a less prescriptive approach to the application of the threshold for these types of developments.

Paragraph 4.6.11 Existing Use Value Plus

The Mayor’s direction in this paragraph that Existing Use Value Plus (EUV+) is the presumed approach to determining benchmark land value (BLV) is unsound because it is inconsistent with national policy. The mayor cannot insist that his favoured approach to determining BLV is followed and require all developers to conform to this. First it is unclear what amounts to an acceptable ‘plus’. Second, the NPPF requires plan-makers to ensure viability which includes the need to *“provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable”*. This could involve using EUV+ as a way of assessing the viability of a scheme, but it might not. Landowners will have their own minimum requirements that must be met to incentivise them to release their land for development. They may also have their own approaches to assessing viability. We note that the Harman viability guidance does not specify that EUV+ is the only route appropriate to assessing viability. See the discussion on page 29 of the Harman Guidance. For example the guidance notes that:

“The precise figure that should be used as an appropriate premium above current use value should be determined locally. But it is important that there is evidence that it represents a sufficient premium to persuade landowners to sell.”

London is a large geographic area with wildly different land and development values. Establishing appropriate Benchmark Land Values is best left to the local planning authorities when preparing their Local Plans. It cannot be done on a pan-London basis.

The Mayor cannot stipulate EUV+ as the basis for assessing scheme viability. Some developers may be willing to comply but others may not. He will have to adopt a more flexible approach. We recommend that paragraph 4.6.11 is deleted.

Policy H7: Affordable housing tenure

The policy is unsound as it is unjustified in relation to the evidence.

We note Table 9.1 of the *London Plan Viability Study*, December 2017. This lists the different tenure types of affordable housing products that have been modelled. We cannot detect a scenario that appears to reflect what Policy H7 asks for and insists should be provided. We recognise that it would be difficult to model the 40% that part A 3) says should be determined by the local planning authority, but we would have expected the modelling to at least attempt to suggest scenarios that might reflect what those other tenure types might be.

It is difficult to conclude that the very specific tenure type requirements in Policy H7 are sound. We consider that it would be safer to leave this matter to the London LPAs to determine through their local plans. This is not a strategic matter that the London Plan ought to concern itself with. So long as developers provide a minimum of 35% affordable housing, and this reflects local plan requirements in terms of tenure type, then the applicant should benefit from the fast-track approach.

Policy H8: Monitoring of affordable housing

The policy is unsound because it is ineffective.

We support the provisions of the policy but the Policy should include an automatic review of policies H5 and H6 if housing delivery fails to achieve the London-wide target of 65,000dpa in 2019.

Policy H9: Vacant building credit

The policy is unsound because it is inconsistent with national policy and because it is unjustified.

The vacant building credit (VBC) was introduced by the Government through its Written Ministerial Statement of 28 November 2014. The VBC was one of the planning policy measures introduced by the Government to help support small developers, custom and self-builders by unlocking small scale development. The Mayor cannot dis-apply the VBC in a blanket fashion across all of London and we reject the Mayor's own interpretation of how a VBC could be justified and applied as set out in part B of the policy. This sets out his four criteria that all need to be satisfied). The national policy and guidance (Paragraph: 023 Reference ID: 23b-023) does not include the caveat set out in Part B(3). This should be deleted. Further, Part B(1) should be amended to be consistent with national policy and guidance which states "*the building has been abandoned at the time the application is submitted*". This is important as 'not in use' has been interpreted differently to 'abandoned' in law.

The claim that the VBC is unlikely to bring forward much additional development in London is unsubstantiated. It is likely to assist with the viability of small brownfield sites if the application of the VBC helps to improve viability by reducing the scale of S106 obligations expected. In view of the emphasis in the London Plan on bringing

forward small sites the Mayor's case for removing the VBC is unjustified. This first sentence should be deleted.

We consider that the application of the national planning policy on the VBC is a matter that it is more proper for the London LPAs to assess as part of the production of Part 1 Local Plans. Part A of the policy should be re-drafted to read:

~~"A The Vacant Building Credit is unlikely to bring forward additional development in London, therefore in most circumstances, its application will not be appropriate in London. The London LPAs should have regard to the national planning policy on the Vacant Building Credit when preparing their Local Plans. Subject to evidence, it may be appropriate to limit the application of the credit to circumstances where the criteria in Part B of this policy apply."~~

The rest of the text of Part A should be deleted.

Policy H11: Ensuring the best use of stock

The policy is unsound because it is ineffective.

It is unclear what would constitute a home bought as 'buy to leave'. It is unclear how long a dwelling would need to be left empty before it qualified as something that had been purchased with the intention of being left unoccupied. Nor is the policy clear about what actions the boroughs could lawfully take to confiscate such homes or put tenants into them. The policy is woolly and consequently ineffective.

Evidence of dwellings deliberately bought but left unoccupied shows that this is a very small problem. The research produced for the GLA in 2017 by the LSE and the University of York suggests that in 2014 and 2015 less than 1% of the stock bought by overseas investors might feasibly be construed as being deliberately left empty. Most homes bought in London by investors, including those from overseas, are rented out.

Policy H15: Specialist older persons housing

The policy is unsound because it is ineffective.

The Policy should do more to ensure that the London local planning authorities plan positively to ensure that there is an adequate supply of accommodation for older people. The GLA has assessed the need for accommodation for older people and this is reflected in the annual borough benchmark targets included in Table 4.4. The inclusion of these indicative targets is very helpful. However, our experience of the current London Plan – which also identifies benchmark targets – and how these targets are planned for by the London LPAs is more disappointing. Boroughs are very reluctant to be measured for their performance against the benchmark targets and therefore the targets are not being met and supply of specialist older persons accommodation has suffered as a consequence.

The Government announced through the *Housing White Paper* its intention to improve the supply of older peoples' accommodation. There is a growing realisation that the provision of specialist accommodation for older people might help ease aspects of the housing crisis by encouraging older people to move into specialist accommodation, thereby releasing larger homes back into circulation for occupation by families.

Part A of Policy H15 should be strengthened by encouraging the London LPAs to plan for and meet the benchmark targets for older peoples' housing. To achieve this the Policy should be amended to read (suggested additional test is in italics):

"A1) local and strategic housing information and the indicative benchmarks set out in Table 4.4. Where the borough fails to achieve the benchmark in the previous year, then it will operate a presumption in favour of older persons housing in subsequent years until the backlog is addressed."

Part C

Part C of the policy is unsound in determining what Use Class sheltered accommodation and extra care accommodation will be under the Use Classes Order.

As described above older persons accommodation covers a very wide spectrum of care and support provision. As such, it is recognised that dependent on the care and support it provides, and the facilities that come with it, older peoples' accommodation can fall within either the C2 or C3 Use Class. This will determine whether or not a Council can seek affordable housing contributions from the development.

The decision as to whether an application for older persons housing is C2 or C3 is a matter for the LPA to decide and it will depend on the specifics of each scheme. This cannot be a matter for the London Plan to pre-judge and set policy. That is a matter for the Town and Country Planning Acts and/or Case Law.

Part C should be deleted.

Table 4.4

We note that Table 4.4 does not include a breakdown into tenure types of older persons housing. This is unlike Annex 5 of current London Plan. This is disappointing because LPAs tend not to understand the range of types of older persons accommodation that can be needed. The current London Plan understands this better. The Draft London Plan appears to have abandoned making any attempt to broadly specify the types of older peoples' accommodation that could be provided. Consequently, there is a danger they will have a narrow view of the types of older people's housing they should be looking to support.

The Mayor should provide an indicative tenure type of breakdown, similar to the current London Plan. This will serve as a guide to the London LPAs so that they are encouraged to provide for the full range of accommodation types needed by older people.

Paragraphs 4.15.1 – 4.15.10

The Mayor's definition of older peoples' housing is incomplete. It does not refer to specialist retirement housing although accommodation of this type is a very effective way to incentivise still able-bodied older people to down-size and vacate family sized housing. In addition to the tenure types referred to in the draft supporting text, we advise the Mayor to specifically refer to specialist retirement housing. This is a tenure type that is only partially covered by the term 'sheltered accommodation'. Table A5.1 of the current London Plan refers to older peoples' housing for private sale but retirement housing for sale appears to be absent from the new London Plan table.

In its submission to the *Housing White Paper* the HBF advised that the Government needed to plan for more specialist retirement housing. The term specialist retirement housing is proposed as an umbrella term to cover all types of specialist housing for older people from 'age-restricted' housing to 'extra-care accommodation'. A definition of the four forms of housing that sit within the term 'specialist retirement housing' are detailed below. The common features of all four types are the age restriction, their specific design to meet the needs of older people, and a range of support services and shared spaces.

Downsizer (Age-restricted housing) - typically for those aged 55 or above and the more active elderly. Often flats or bungalows, though some developers build houses which are purpose built for older people with shared amenities such as communal gardens or coffee lounges. On-site staffing is limited typically to just the maintenance of the development and its grounds. Developments are usually up to 30 units in size. Some shared areas may be provided. Historically referred to as "Category 1 housing".

Retirement Living – age restricted housing, typically for those aged 60 and above. Formerly referred to as "Category 2 housing" or sheltered housing and consisting of independent flats and / or bungalows with enclosed access, a communal lounge and other limited communal facilities such as a shared laundry and a guest suite. Importantly, on-site support is provided by a warden or house manager who is dedicated to the running of the development. Developments are typically between 30 to 60 units in size.

Extra Care Housing - Age restricted accommodation, also known as Assisted Living, typically for those aged 70 and above. The term is used for a complex of specialised accommodation, including individual apartments for older people and a range of on-site services including care in a style that can respond flexibly to increasing need whilst fostering independence as far as is possible in older age. In most Extra Care accommodation, people enter the unit of accommodation and the care services they receive are delivered into that unit as their needs increase with age or in the short term due to illness, post recuperative care etc. Significant shared services will be provided, such as a residents' lounge, restaurant with on-site kitchen, function room, laundry, guest suite, well-being centres, hairdressers, and staff rooms. Developments are typically between 40 to 70 units in size. This form of specialist retirement housing was historically known as "Category 2½ housing"

Care Villages / Continuing Care Retirement Community. Age restricted accommodation typically for those aged 70 and above. Similar to Extra Care but often much larger with some developments being up to 200 units. Schemes typically have higher levels of care which are generally delivered by transfer within the scheme from an independent living unit, in which low to moderate care is delivered, to a specialist unit or care home as resident's needs progress. Challenges to Development in the Retirement Housing Sector March 2017

For the avoidance of doubt the umbrella term of 'specialist retirement housing' does not cover traditional forms of residential institutions such as Care or Nursing homes. These are entirely separate and it is our view that such C2 accommodation should be planned for separately and should fall outside the scope of the benchmark targets in Table 4.4.

We have recommended to the DCLG that it uses these definitions for its revised NPPG. The Secretary of State is under a legal duty to set-out new statutory guidance for the provision of older persons housing.

The need to refer to specialist retirement housing, as well as sheltered accommodation more generally, is important to avoid the potential for disputes with the London boroughs over what constitutes specialist older persons housing in terms of helping to meet the benchmark targets in Table 4.4. Paragraph 17 of the NPPF requires that planning policies provide a practical framework so that decisions on planning applications can be made with a high degree of efficiency and predictability.

H17: Purpose-built student accommodation

Paragraph 4.17.1 describes how the needs of students forms part of the overall OAN for London. As expressed above the HBF is not convinced that student housing is adequately accounted for in the assessment of need because an increase in an institutional population as a consequence of a college's decision to expand its courses and student intake is not something that is necessarily adequately captured by the Census that occurs each decade. E.g. if the Census is taken in 2011, but University College London decides in 2012 to add a new course in order to attract more affluent overseas students, then this expansion will not have been caught by the underlying Census data that provides the basis for the population and household projections.

Nor should a student room be treated as the same thing as a home in the C3 use class. If we do count them as equivalent to 'dwellings', then there is a risk that LPAs will be incentivised to permit the construction of large number of student rooms merely to meet housing targets.

The most recent London Plan Annual Monitoring Report 2015/16 in Table 2.6 records the following completions of C3 and C2 use class dwellings for London in 2015/16:

<u>Net conv</u>	<u>Net non-conv</u>	<u>Vacants</u>	<u>Total</u>
32,919	4,564	1,070	38,553

One can see from this that non-conventional dwellings, or rooms – and one can reasonably assume that they are just rooms – now account for quite a substantial element of overall 'housing' supply in London. While the construction of purpose built student accommodation can relieve pressure on the conventional housing stock, if the assessment of need does not make an adequate assessment of student needs in the first place, then any benefit may be negated, especially if the student body increases in the inter-Census period (between 2011 and 2021). It is the HBF's view that student needs should be separated-out from the OAN, and planned for separately. This is what some local authorities do with universities with large student bodies, such as Norwich and Canterbury. This is to avoid the potential for under-counting in the assessment of housing need and therefore planning for too few new homes.

This is an issue that needs to be carefully monitored by the GLA. The proposal to count three bedrooms of student accommodation as one 'dwelling' is a reasonable compromise, but still not ideal.

Chapter 2: Spatial Development Patterns

Policy SD1: Opportunity Areas

The anticipated housing contribution from the Opportunity Areas (OAs) is overly optimistic. This is primarily because many of the OAs, particularly those in Outer

London, are expected to generate new homes through the intensification of land currently in industrial and similar use. However, we consider that SD1.B.5 is unrealistic and certainly requires much more detailed research. This is because the value of residential land in these locations, particularly when subject to the enhanced affordable homes requirements and Agent for Change proposals, is unlikely to be competitive relative to rising industrial land and employment values particularly those associated with the logistics sector. Furthermore, because these sites will generally be owned by commercial rather than housing developers the incentive to develop mixed use schemes will be limited, especially as these a lot more complex to pull together. The scope to maintain floorspace but reduce building footprints and reduce yard areas is very unlikely to be achievable to the extent envisaged in Figure 6.3.

The Mayor's expectations regarding this source of supply is over-stated by the London Plan and the SHLAA 2017. Many of the OAs are only allocated areas or, even worse, have only been identified as having the potential for mixed use development. Housing delivery in some is dependent on long term infrastructure being built, such as the extension to the Elizabeth Line. It is hard to imagine these locations making a meaningful contribution towards London's housing supply before 2028. The SHLAA 2017 does not provide a breakdown of the total supply from the OAs or the planning status of each of the OAs. This makes it very difficult to scrutinise the GLA's expectations from the OAs and how this is divided between allocated sites and potential sites.

Policy SD2: Collaboration in the Wider South East

The policy is unsound because it is ineffective and because aspects of it potentially conflict with national policy as a consequence of being vague about who has responsibility for the duty to cooperate.

There is also an unmet need of 10,000 homes that has not been planned for and as such the new London Plan fails the positively planned test of the NPPF.

Working with the Wider South East

The Mayor has a statutory duty to inform and consult as established by the GLA Act. He is not subject to the duty to cooperate. The Mayor is a prescribed body that is subject to the duty, but not in terms of the preparation of the spatial strategy. Note the following statement from the GLA on this matter on its website:

“Duty to Co-operate

*The Duty to Co-operate applies to the Mayor, but the London Plan itself is not covered by the definition of a Development Plan Document. The process of preparing the Plan is therefore **not subject to the Duty to Co-operate**. However, it is subject to his Duties to Inform and Consult. Engagement with authorities outside London is also addressed in specific policies of the Plan itself.*

The Mayor is required to co-operate with other local authorities in the preparation of their plans, and they are required to co-operate with the Mayor.”

The duty to cooperate requires evidence of meaningful engagement and material outcomes so that local plans embody “*effective and deliverable policies on strategic cross boundary matters*” as the NPPG, paragraph 001 Ref ID 9-001-20140306 states. The Mayor, however, in preparing his spatial strategy is not bound by the duty to cooperate, but only a duty to inform and consult. In terms of achieving material land-use planning outcomes ‘informing and consulting’ is a weaker test than the duty to cooperate. It places no onus on the plan-maker – the Mayor of London - to

respond to the concerns that might be raised by other planning authorities in the way the duty to cooperate does. He only needs to inform and consult with them. Therefore the Mayor of London is under no compunction to produce a London Plan that demonstrates how any unmet need arising in London will be accommodated.

The problem of London's unmet need of 7,000dpa is a major problem with the current London Plan. This issue is largely resolved – at least in theory – through the draft London Plan. However, there is still a floating unmet need of 10,000 homes that will need to be accommodated somewhere if not in London. This needs to be planned for. It is not a matter that can be delegated to the London boroughs because they consider this to be the responsibility of the Mayor of London. Moreover, it would be ineffective to delegate responsibility for planning for these 10,000 homes to the London boroughs as it would be unclear how many homes out of the 10,000 each would be responsible for negotiating to be accommodated outside of London. This is a point that has been made by some London boroughs at various London borough local plan examinations over the last two years.

It is therefore necessary to examine what the Mayor has done through his duty to 'inform and consult' to accommodate this unmet need. Details are available at: <https://www.london.gov.uk/about-us/organisations-we-work/policy-and-infrastructure-collaboration-across-wider-south-east>

The evidence that is available on the engagement that has occurred with the WSE is weak and not especially enlightening. Given the importance of this topic one would expect to see concrete decisions translated into a statement of common ground signed by the Mayor of London and all the authorities of the WSE explaining what they would do in land-use planning terms to address the issues identified.

We note that a recent report by the Centre for London and the Southern Policy Centre titled *Next-Door Neighbours: Collaborative Working Across the London Boundary* discusses the need for greater collaboration between London and the WSE.

We note the following observations recorded in the minutes of the Third Summit held in December 2016:

Housing

On the issue of housing it was widely acknowledged that this is one of the biggest pressures. One key challenge is that the migration resulting from housing benefit changes and shortage of housing more broadly is being felt by councils outside London, who are seeing the knock-on impact locally as demand in London is being displaced. There has also been a similar movement of people between Inner London, where prices are highest, to Outer London. The GLA stressed these sort of movements are part of the relationship between most urban areas and their wider housing market areas – the challenge arises where net outflows are likely to rise significantly above historic trends. The balance between affordable and market is also a key aspect to get right and there is support for the Mayor's approach on affordable housing. Delegates suggested that in the London Plan consideration should be given to:

- *Addressing wider property market challenges (e.g. the direct/indirect effect of overseas investors buying up London homes), radical public sector vehicles to provide homes and greater density/city style approaches across more areas of London.*
- *Urgent action to address unused planning permissions to deliver the homes that councils already have approved.*
- *The delivery mechanisms also need to be reconsidered, including prefabrication (but only if the quality is right) and initiatives that advance "right-sizing".*

- *Whilst the scale of under-delivery is acute nationally, the issues are so acute in London, and the knock-on impacts so great, that this should be considered as a special case for London to step in when permissions are not taken up.*

Despite having identified housing and migratory pressures between London and the WSE as a challenge, it is hard to ascertain from this minute what precisely has been agreed by the Mayor and the WSE authorities in terms of planning to provide a solution to the current unmet housing need and the unmet housing need arising from the draft London Plan. These are observations. They need to be supported by resolutions for action. In terms of the strategic issue of housing, the cross boundary problem is a combination of London's large annual unmet housing need and growing net migration from London (see Figure 15 of the 2017 SHMA which shows an increasing net outflow of people from London). This is increasingly having an impact on existing residents in communities in the WSE. When read in full there is nothing in this minute that refers to the problem of London's unmet need of 7,000dpa that is in the current London Plan. This is surprising given the importance of the issue. One would expect to see reference to this.

A fourth summit was due to be held on the 26 January 2018. An agenda is available at https://www.london.gov.uk/sites/default/files/wse_summit_agenda_26jan2018.pdf.

By this point, the new draft London Plan has largely resolved the problem of the unmet need. Nevertheless, this has not been addressed entirely: the minute does not refer to the 10,000 dwelling shortfall in the new London Plan. If the London planning authorities are expecting the Mayor of London to undertake duty to cooperate discussions on their behalf on the question of the unmet need then we would expect to see a reference to this in the agenda for the meeting in January 2018.

We conclude that the London boroughs cannot have any confidence in the Mayor to discharge the duty to cooperate on their behalf. This is because: a) the Mayor argues that he is not responsible for the duty and nor does he wish voluntarily to take responsibility for this on behalf of the 35 London planning authorities; and b) because the London Plan does not provide a framework that would enable the London boroughs to know precisely what their share is of the current and new housing shortfall that they would then become responsible for negotiating. The Mayor has not divided this up, because he cannot, because the London Plan assesses the need on a pan-London basis and distributes the numbers on the basis of capacity.

However, the strategic role of the Mayor in assessing need and how this is apportioned across the 35 local planning authorities of London suggests that the Mayor must be responsible for ensuring that collectively the London planning authorities comply with the Duty to Cooperate. This is the logical outcome of his having taken control over the assessment of the OAN and its distribution across London.

Overall, the HBF considers that the London Plan is unsound because it provides a very unclear and unsatisfactory framework to enable the public to know how the Duty to Cooperate is to operate in London, and the respective responsibilities of the Mayor and the constituent London boroughs, particularly on the question of who has responsibility for negotiating over the provision of the 1,000dpa shortfall. The public needs to know who is responsible for the Duty and what that entails. This needs to be clear and transparent in the London Plan. We cannot afford to allow the Mayor and the London boroughs to continue to play one another off against each other.

We consider that the Mayor must assume responsibility for the Duty to Cooperate and discussions with the wider south east on housing matters on behalf of the 35 local planning authorities for London. The London Plan must be amended to this end.

Planning for a potentially bigger shortfall if delivery falters

We appreciate that the Mayor has hosted a number of meetings with the authorities of the Wider South East (WSE) to discuss the inter-relationship of London with its broader hinterland. The issues of London's unmet need under the current London Plan and the question of the effect of migration in and out of London have been two of the topics of concern (on the out migration issue see above reference to the Third Summit and the notes of the Second Summit held on 11 December 2015). While we acknowledge that the new London Plan will address the issue of the housing shortfall, it is questionable whether the strategy that the Mayor has alighted upon to accommodate London's housing needs in full is a realistic one. If delivery does falter significantly in the first two years, then there needs to be a mechanism to ensure that the problem can be rectified quickly. The NPPF at paragraph 14 requires local plans to be sufficiently flexible to adopt to rapid change. (Although the London Plan is not a local plan, because the Mayor has chosen to exert far greater control over detailed planning matters in London - to the extent that the Mayor states that local SHMAs and SHLAAs are unnecessary - it is to all intents and purposes a large local plan for London).

The test of the effectiveness of the new London Plan will be how it performs in the first two years following adoption and whether the target of 65,000dpa is achieved. The London Plan will need to deliver 65,000dpa immediately from 2019 onwards because it is a short plan (10 years) leaving little scope to gradually escalate (as you might get with the housing trajectory of a local plan). As we have stated above, the London Plan is too important to fail in terms of the wider housing crisis. The public cannot afford for it to fail.

We are not convinced that London will be able to deliver 65,000dpa, especially not from the start in 2019. A figure of 53,000dpa would probably be a more realistic figure. It is essential, therefore, that the Mayor continues to work with the WSE to explore options for a 'Plan B' that will provide alternative capacity to accommodate what is likely to be a significant shortfall against need.

The NPPF states that Local Plans should be aspirational but realistic. Although the London Plan is not a Local Plan – it is a spatial strategy – it must still be examined against the context of the NPPF and we consider that the same guiding principle applies. The London Plan is certainly a highly aspirational Plan but we do not consider it to be realistic.

The Duty to Cooperate versus the duty to 'consult and inform': the need to delineate clearly between London Plan and Local Plan functions

The draft London Plan is unsound with regard to the obligation on the Mayor to inform and consult and the role of the Mayor and the London Boroughs in terms of the Duty to Cooperate. The information is lacking to enable third parties to assess whether the duty to inform and consult and the Duty to Cooperate has been satisfactorily discharged.

This lack of clarity about respective responsibilities – who is responsible for what in terms of the Duty to Cooperate - and what has been done represents a legal failing.

It is essential that the London Plan is very clear about the Duty to Cooperate and with whom responsibility for legal compliance resides. If this is the London boroughs – and the Mayor’s argument that because the London Plan is not a development plan document suggests he is right – then the London Plan needs to state this very clearly.

This clarity is necessary to avoid the situation where a London borough at a local plan examination argues that the GLA is responsible primarily for discharging the duty to cooperate. This is wrong. It is in fact the legal responsibility of the London borough/ local planning authority. An example is provided below from Bromley Council’s Local Plan Examination from its Statement in response to the Inspector’s Question 3 (examination document reference LBB/LP/002). This response illustrates how confused the situation has become across London:

“The Statement of Compliance with the Duty to Co-operate details the unique situation in London which has its own spatial development strategy, the London Plan. This means that planning for strategic matters and co-operation for London and its relationship with the South East region generally takes place at the London-wide level to inform the London Plan and is led and co-ordinated by the Greater London Authority (GLA). Paragraph 2.3 of SD9 explains that:

“Many of the strategic matters and key issues that would be addressed through compliance with the Duty to Co-operate are, in London, a matter for The London Plan and / or addressed through the preparation of the London Plan. This includes the overall amount of housing to be provided for London, borough by borough.”

The Council’s response to LB Croydon’s representation in relation to the strategic matter of housing is set out in Summary of Responses to Representations (SD18). This explains that neither Bromley nor Croydon can meet their Objectively Assessed Need on their own, but that as both authorities are part of London, and form part of the London Strategic Housing Market Area, this is primarily a matter dealt with by the London Plan 2016.

Other London boroughs have advanced similar defences. Unfortunately the statement by Bromley Council represents a misreading of the current London Plan which states at paragraph 2.14 the following:

“While the Mayor will promote inter-regional work on key strategic issues, engagement at a more local or sub-regional level will also be important, in line with the duty to cooperate.”
(Our emphasis)

Paragraph 1.2.4 of the Mayor’s Housing SPG states:

“The Mayor will complement cross-boundary engagement undertaken by boroughs through their duty to cooperate in addressing his own responsibilities to inform and consult with neighbouring authorities under GLA legislation and in preparing the Full Review of the London Plan.”

It is clear that the London local planning authorities are responsible for the duty to cooperate.

This should have been expressed in London Plan policy rather than supporting text. At best, it would be fair to say that the current London Plan is ambiguous – possibly intentionally so. The question of who does have responsibility for the duty to cooperate – is it the Mayor or each individual London borough – does need to be clarified to ensure that effective cross-regional strategic planning can take place and is not neglected because of vague wording.

At the moment it is unclear who is responsible for planning for London's current shortfall (7,000dpa) – whether it is the Mayor or the boroughs.

This confusion is unsatisfactory. It undermines effective planning for development needs which is an activity that is vital to the public interest.

The wording of Policy SD2 C is flawed. If the Mayor cannot respond effectively to duty to cooperate requests because he is not subject to the Duty - because he is not responsible for preparing a development plan document - then it must follow that the London boroughs must be responsible, as defined by legislation. If, as the Mayor says, the London Plan is a spatial strategy and not a development plan document then responsibility for the Duty to Cooperate and a request for assistance by another borough (either in London or outside) must be discharged by a local planning authority preparing a development plan document such as a local plan.

However, as we have argued above, this is not practicable. Because the Mayor has taken over responsibility for many of the functions that are central to local plan preparation – such as assessing the overall housing need and determining how this is apportioned across London – he cannot avoid responsibility for the Duty. He cannot pick and choose the bits he likes. It is our view that the Mayor can choose to be responsible for the Duty to Cooperate and he can choose to discharge this legal obligation on the behalf of the 35 local planning authorities of London. We find it curious why he has not done so as this is clearly a matter of great strategic importance. Indeed it is ironic that his 'spatial plan' neglects this dimension while it interferes in the minutiae of many other areas of planning that are more appropriate to local plan making.

We therefore recommend that following change to Policy SD2 of the new London Plan:

C

The Mayor will take account of the views of WSE partners in discharging his Duties to Inform and Consult with authorities beyond London.

Demonstration of compliance with the duty to cooperate also resides with the Mayor. The Mayor will be responsible for ensuring compliance with the duty to cooperate on behalf of all the local planning authorities of London. He will assume responsibility for discussion with the WSE authorities all matters that have a cross boundary strategic implications. He will prepare statements of common ground with the local planning authorities of the WSE.

Paragraph 1.4.4

The London Plan states that the London Boroughs are not required to produce local assessments of need and need not have regard to 'nationally-derived local need figures.

We agree that the Mayor should be responsible for carrying out the objective assessment of need for London as a whole. The Mayor can then decide the best way to divide-up this overall need among the 35 London LPAs. This is one of the least satisfactory aspects with the current London Plan. Although the current London Plan and the Housing SPG do refer to the need for the London boroughs to undertake, local and NPPF compliant assessments of housing need, some boroughs have not. They argue, sometimes citing the non-binding examining inspector's report for the current London Plan, that they are not required to locally assess the OAN as the London Plan does this on their behalf (e.g. Haringey, Bromley, Kensington &

Chelsea). The Mayor demurred from the view of the examining inspector. As with the question of who has responsibility in London for the Duty to Cooperate, confusion reigns.

The best that can be said is that the situation is very unclear and unsatisfactory. It is good that the Mayor is making his position on the new London Plan targets clear.

Notwithstanding this, the GLA is aware that the Government is consulting upon a standardised assessment of housing need, as set out in the DCLG's *Planning for the Right Homes in the Right Places* consultation. It is the HBF's view that the GLA should abide by the spirit of this consultation and re-base its housing need using the proposed method so that its assessment is consistent with that for the rest of the country. It is very important that nationally a consistent approach to the calculation of the OAN is adopted, especially the treatment of the demographics and market signals.

We recognise that the Government's consultation proposes a transition period whereby the proposed standard method need not be used for plans that have been published but not yet submitted on or before 31 March 2018 (see table 1: Proposed Transitional Arrangements). It is possible, however, that the Government decides that the standard method should be used with immediate effect irrespective of the stage of plan preparation. In view of the size of the share of London's need for the country as a whole, it is important for London to follow the Government's standard approach.

Policy SD3: Growth locations in the Wider South East and beyond

The policy is unsound because it is ineffective.

The policy should be redrafted to reflect the concerns we expressed in relation to Policy SD2 regarding the lack of clarity with regard to with whom the Duty to Cooperate resides.

Part A of the policy should be amended to read:

The Mayor through the duty to cooperate, will work with relevant WSE partners, Government and other agencies to realise the potential of the wider city region..."

The Policy should also include specific reference and support to the report of the National Infrastructure Commission on the Cambridge-Milton Keynes-Oxford growth corridor (*Partnering for Prosperity: A new deal for the Cambridge-Milton Keynes-Oxford Arc*). This report considers the case for increased investment and development along the corridor including providing for many more houses than current assessed needs suggest are needed. The report argues that to a) help improve affordability; and b) accommodate unmet needs implicit in the current London Plan, planned supply would need to increase from 20,000dpa as the OAN identified by existing plans to 30,000dpa (see pages 26-27 of the report). This is the only tangible growth option that is being considered for the wider south east. There are no other growth proposals of a similar magnitude that might have an impact over the next ten years to accommodate any shortfall in supply in London.

The Mayor should provide explicit support for this proposal through the London Plan. Growth along the corridor at the level of 30,000dpa advocated by the NIC is needed to compensate for any possible (likely) under-delivery in London against its new OAN of 66,000dpa. We consider under-delivery to be highly likely and therefore the Mayor's support for the proposals for the Growth Arc articulated in the Plan is

welcome. Support for the growth corridor is necessary as a contingency as supporting paragraph 2.3.4 refers to.

Policy SD5: Offices, other strategic functions and residential development in the CAZ

We are also concerned that the impact of SD5, and in particular SD5.C4 will, in conjunction with Agent for Change proposals, discourage residential development continuing at current and recent rates. It is very unlikely that the Mayor will be able to double the rate of development that is now required by the London Plan. The Mayor's assessment of his ability to double housing completions is entirely theoretical and does not take into account the new obstacles to residential development that Policy SD5 introduces.

While we appreciate the Mayor's desire to protect employment land, we are unconvinced that this can be achieved without an adverse impact on housing supply and the delivery of the new targets. This is because some of the past trends in delivery that the SHLAA 2017 is based upon will have been on former industrial land. If the Mayor wishes to continue with the compact city concept – a concept that has guided all previous iterations of the London Plan – then he must be more realistic about the number of dwellings that can realistically be accommodated in London. Relying on the theoretical assumption that by increasing the density of development and by encouraging mixed-uses, one will be able to accommodate all housing needs is too risky as the basis for a sound plan. The London Plan needs to be underpinned by tangible land supply informed by a conversation with land owners and developers about what they think they can reasonably provide on sites in the light of all the London Plan policies.

In the light of this policy, the assumption that employment/industrial land in CAZ will still continue to yield homes is unfounded. The contribution from this source should be heavily discounted.

We note paragraph 2.123 of the 2017 SHLAA. This reduces the housing yield probability assumption to 5% for land within the CAZ. We consider that it would probably be safer to assume no housing supply from land in these categories. If housing does come forward it would be accounted for as part of the small sites/windfall allowance that we propose should be no greater than 13,000dpa.

Policy SD6: Town Centres

The policy is unsound because many of the objectives are ineffective because they incompatible. This will discourage town centre redevelopment. This will have an adverse impact on housing supply in London.

We welcome the recognition that there is significant potential for London's town centres to generate new housing. However, we are concerned that the support to be given to the promotion of night time activities in in Part F of the policy, and for night time deliveries (which the Mayor's Transport Strategy encourages) in conjunction with the Agent for Change proposals, will actually make residential schemes less attractive. These objectives are not really compatible. Accordingly, this will have an impact on the contribution that town centre schemes can have on London's housing supply, despite what paragraph 2.6.2 envisages.

It is important that the London LPAs are allowed to apply the policy flexibly. They will be best placed to decide if some of the objectives in Policy SD6 should be abandoned in the interest of maintaining housing delivery.

To this end, the policy should be re-worded to read:

“A When planning town centre development proposals, and when considering applications, the local planning authority should endeavour to achieve the following objectives...”

We note and support the recognition in Part D of the suitability of town centres for the provision of older people’s accommodation. However, some consideration will need to be given to the appropriateness of adjacent uses, such as those encourage by the Employment policies in chapter 6. Mixed use industrial and residential would not really be appropriate for older persons housing, as we have discussed above. This would really be demonstrated by the London local planning authorities through Part F which discusses the need for varieties of uses within the town centre.

Policy SD8: Town Centres: Development principles and development plan documents

We broadly support this policy but it could be strengthened to refer to the benefits of including older persons housing in the town centres. The provision of such accommodation is likely to strengthen the local economy owing to the tendency for older people to shop locally and use local services.

We also consider that the Policy could encourage the conversion of redundant commercial space that is suitable for the provision of older people’s housing, where it is found that existing town centre boundaries should be reduced in light of capacity and demand. This should be allowed in the light of the evidence produced to support a Local Plan.

Policy SD9: Town centres: Local partnerships and implementation

The policy is unsound because it conflicts with national policy and is unjustified.

We note that Part C 1) encourages the use of Article 4 Directions where appropriate and justified to remove permitted development rights. We do not believe that the Mayor can direct the London LPAs to do this through the London Plan. This is a local rather than a strategic matter. The Government’s extension of permitted development rights to allow the conversion of B1A use class developments to C3 has been component nationally of housing delivery in the last three years (last year some 38,000 units of residential accommodation came from this source). It will have played an important role in London, contributing to London’s windfall trend.

Widespread promotion and use of such restrictive policy is likely to jeopardise the delivery of housing targets.

Part C1) should be deleted.

We support the diversification of housing uses in town centres and edge of centre for the provision of housing for older people (2.9.5)

Policy SD10: Strategic and local regeneration

The policy is unsound because it is ineffective.

We are surprised and concerned that so little detail has been provided regarding the purpose and form of the Strategic and Local Areas of Regeneration and that no mention is made of the relationship with the Plan's albeit extremely limited proposals for estate regeneration in Policy H10. Given that most of these areas will include housing estates this would appear to be a major weakness with the London Plan. It is hard to ascertain to what extent these areas have been assumed by the Mayor to contribute to the housing land supply.

The draft London Plan should set out which areas are expected to contribute to meeting the housing targets.

Chapter 1: Planning London's Future

Policy GG2: Making the best use of land

Part A is unsound because it is unjustified.

Part 2A of the policy states that surplus public sector land will be developed. The rate at which public sector land has come forward in recent years – including that owned or controlled by the Mayor – has been extremely disappointing. We see no obvious reason why the Mayor's proposals will lead to increase in the supply of public sector land to meet the housing targets that are now needed. If anything, the weight of the new obstacles to development that are introduced by the London Plan that will reduce profitability and will discourage even further any appetite for public bodies to develop their land viably. For example, the HBF had a conversation recently with Transport for London regarding a small sites residential programme that it was piloting but it appeared to be unaware of the implications of the Mayor's affordable housing policies and how this would affect the sale of its sites.

Part D is unsound because it conflicts with national policy.

Part D describes the Mayor's intention to protect existing open spaces, including the Green Belt, Metropolitan Open Land, designated nature conservation sites and local spaces etc. While we accept that in producing a statutory spatial plan for London the Mayor can devise a strategy with this objective in mind – to safeguard as far as possible existing open and green space – we are not persuaded that he can direct local authorities not to review open space designations when they are preparing Local Plans and wish to make decisions about how they can best accommodate development needs in the way that is most acceptable to them. He cannot remove a local authority's discretion in this regard. We will discuss this further when we come to comment on Policies G2 and G3.

The London Plan is not a Local Plan as the Mayor is anxious to remind us. National policy allows local planning authorities when preparing their Local Plans to establish Green Belt boundaries in their Local Plans. Green Belts, once established, can only be altered in exceptional circumstances, through the preparation or review of the Local Plan. It is clear from the NPPF that the extent of the Green Belt is a matter for local planning authorities to decide through the preparation of their Local Plans. This is not a matter over which the Mayor of London has complete jurisdiction, although he may produce a spatial strategy that outlines the general principles of growth and where that growth might best be accommodated. Ultimately, it is a matter for the individual local planning authorities to determine the most appropriate way to meet the housing targets that have been identified by the Mayor.

To safeguard the sovereignty of local planning authorities to determine these matters we recommend that the policy is re-worded to say:

“To create high-density, mixed-use places that make the best use of land, those involved in planning and development ~~must~~ *should aim as far as possible, and consistent with the principle of sustainable development:*

A...(as drafted)

B...(as drafted)

C...(as drafted)

E...(as drafted)

F...(as drafted)

In pursuing these objectives plan-makers should avoid significant adverse impacts on any of the dimensions of sustainable development.”

The last sentence is lifted from paragraph 152 of the NPPF. It is a reminder that one needs to consider the ‘sustainable development’ in the round, and that local planning authorities might be better placed to decide what represents the most appropriate balance for their area. This might mean the release of Green Belt land to accommodate development needs in order to avoid more adverse impacts on the social, economic and environmental aspects of sustainable development. For example, the release of Green Belt land for a mixed-use development around a train or tram station currently located in the Green Belt may be a more sustainable and humane way of accommodating needs, than ramping up densities on a brownfield site, especially if that brownfield site is shown to be unviable as the density of residential development envisaged by the Mayor’s theoretical assessments.

Policy GG4: Delivering the homes Londoners need

The policy includes many general statements of intent. The real detail of what the Mayor hopes to achieve is addressed in detail through subsequent policies. We consider the policy to be superfluous.

Part E of the policy is unsound because it is ineffective.

Part E requires that ambitious and achievable build-out rates are established at the planning stage. Planning policies need to be clear so that they provide a clear guide for decision makers. It is unclear what the Mayor considers an ambitious and achievable build-out rate to be and what an applicant would have to do in that respect to satisfy the local planning authority or the Mayor. Because the policy is unclear it is ineffective for the purposes of development management.

What is being proposed is concerning. Delays in schemes starting following planning consent are often due to non-planning related factors, e.g. the existing land owner securing vacant possession prior to completion of the sale of the site to the housing developer. Moreover, there is a difference between what is ambitious and what is achievable; what form of incentives are likely to be available under the planning system; and the likelihood that LPAs are more likely to introduce penalties rather than incentives. All these things are more likely to discourage development. It is unclear why these measures would reduce the likelihood of sites being sold-on.

Unless the Policy is clearer about how the planning process would secure these objectives part E should be deleted.

Policy GG6: Increasing efficiency and resilience

Part A is unsound because it is ineffective.

Part A establishes the Mayor's aim for London to be a zero carbon city by 2050. The London Plan will need to be clear about how it expects this to be achieved. We will discuss this further in our response to *Policy SL2: Minimising greenhouse gas emissions*. This policy establishes a requirement that all major development should be net zero-carbon. The chief obstacle is defining what constitutes 'zero carbon development'. The Government failed to define this, and failed to come up with a way of measuring this, hence the reason why it abandoned the zero-carbon homes programme back in 2015 (*Fixing the Foundations*; HM Treasury; July 2015) – a change that had been due to come into force through the building regulations in 2016. We are conscious that the Mayor has chosen to ignore this direction from Central Government. This does not get around the problem of defining an effective and measurable way to achieve 'zero carbon homes'. Without this, the policy is ineffective. It is necessary for applicants and decision-takers to know how this policy can be complied with.

The Mayor should abandon his attempt to insist that all major development is net zero-carbon because he is unable to define this or measure this.

Chapter 3: Design

We have several reservations about what the Mayor is attempting to achieve in his design chapter. We believe that many of the ideas for design are untested in terms of how they will contribute to sustaining housing delivery at the scale required in London over the next decade. While we accept that housing delivery should not be 'at any cost' – poor design should not be accepted - there is a balance to be struck so that the very considerable housing needs of the city are met in each year from 2019 onwards. If there is to be no relaxation on design and indeed the design review process is to be tightened by the draft London Plan, then perhaps it would be more sensible (not to say in the public interest) for the Mayor to admit that London will be unable to deliver 65,000 homes each year from next year onwards. High density development will require very careful design, and if this will need to involve design panels to review nearly all major schemes from here on in. We are unconvinced that this will be conducive to the Mayor delivering 65,000 homes each year.

If the Mayor is unpersuaded by the arguments that we will put forward in this section, then like other policies in the draft London Plan, such as his small sites assumptions and the 50% affordable housing target, then he must carefully monitor the effect of his design review panels on housing delivery. He will need to undertake an urgent review of the London Plan if housing delivery begins to seriously falter. The first test of the effectiveness of the London Plan is whether 65,000 net additions will be delivered in 2019 and 2020. There is no time for back-loading because the residual targets will just become impossibly big.

The proposed Housing Delivery Test would provide a means for the London local planning authorities to reflect on what is causing delays in housing delivery. Under the Government's proposals, under-performing local authorities are required to produce remedial action plans. These remedial action plans might conclude that the design review process is an important contributing factor to housing under-delivery. However, the findings of these action plans would have no bearing on the Mayor because they apply only to local planning authorities. This is a problem because it is

the Mayor that holds the control over policy formulation in London and because he determines many major applications. We consider that it would be sensible for the Mayor to take these action plans into account (we have argued above that the Mayor does not have the authority to re-interpret the Housing Delivery Test in the way he proposes in paragraph 4.3.3). We recommend that Policy D2 of the draft London plan is re-drafted to include a section requiring the Mayor to consider the action plans that are produced by the under-performing London local authorities under the Housing Delivery Test. Where a local authority is required to take remedial action to improve housing supply the Design Scrutiny process outlined in parts E, F and G should be suspended until delivery is back on course in relation to the borough target.

Where the presumption in favour of development comes into play in those circumstances where a local authority has persistently under-delivered and is in severe deficit in terms of meeting its targets, then the Design Review process should be suspended indefinitely until a new London Plan is published.

We recommend that this should be introduced as a new part H coming after the current parts E, F and G.

Paragraph 3.1.7.

We are unconvinced that it will be straightforward to integrate employment and residential activities in the Town Centres. This will become harder to achieve with the adoption of the Agent for Change principles in the draft London Plan. It is unlikely that deliveries outside of peak times – i.e. night time – will be conducive to residential areas.

Paragraph 3.1.10

We would question whether the circular economy principles sit well with the aim of the draft London Plan to intensify the use of previously developed land. Circular economy principles could be used by LPAs to justify refurbishment rather than intensification of areas of low density development.

Policy D1: London's Form and characteristics

The policy is unsound in places because it is unjustified.

Generally the HBF is supportive of the principles of design and urban design articulated in the policy.

Part B 1) is unsound because it requires design to correspond to the “scale” the “form” and “proportions” of the locality. This would come into conflict with the aims of the draft London Plan to exceed prevailing densities (for example the deletion of the density matrix from the draft London Plan and the aim to densify suburbia through H2) in the attempt to accommodate the housing need.

We consider that Part B 1) should be re-drafted to read:

“B Development design should:

- 1) Respond to local context by delivering buildings and spaces that are positioned and of the appearance that is in keeping with the identity and character of the locality. The local planning authorities in determining applications should not refuse applications solely on the grounds that the*

density and height of the buildings proposed is out of keeping with the local context.”

Part B 3) is unsound because it is unclear what is being asked for. The policy requires development to “aim for high sustainability standards”. This is vague. It is unclear what is ‘high’ and what would satisfy an ‘aim’. It is hard to know how an applicant or decision-maker would respond to this. Sustainability standards for construction are defined in other parts of the draft London Plan (eg. D4 and D5, S12).

This part is superfluous and should be deleted.

Policy D2: Delivering good design

The policy is unsound in places because it is unjustified and because it sometimes because it conflicts with national policy.

The HBF has a number of concerns relating to Policy D2 and D3. The effect of these policies will slow down the decision-making process in London. This will militate against the delivery of the housing that is required in large numbers from next year onwards.

Good design is important to ensure successful places. We are concerned, however, that this policy will result in widening the scope of schemes referable to the Mayor and the extent of the design scrutiny they will be subject to. There is, based upon the HBF’s experience of referable planning applications in the period 2005-2010 a very considerable risk that planning applications will take significantly longer to agree and will involve greater expense. This is because a referable scheme will now involve several parties: the applicant; the planning and urban design officers of the local authority; the GLA’s planners and design officers; those people involved in the local authority’s design review; and then the GLA’s design review panel.

Part F

We are concerned that the draft London Plan is encouraging more than one design review (Part F) in cases where development is at a higher density. This should bring far more residential and mixed use schemes within the ambit of the Mayor as a consequence of the drive to increase the overall density of development in London. We are not convinced that this will be effective in terms of the requirement of national planning policy, and the tests of soundness, to ensure that development needs are delivered. This is an untested area. It is very unclear how this process is going to affect development across London. In view of the major step change in housing delivery required, we consider that only one stage of Design Review should be required: that is the Design Review to be employed by the local authority. Part F should be amended to reflect this. If the local authority is satisfied, this should not be revisited by the Mayor.

Part F is also unsound in requiring Design Review “early in the planning process”. Local planning authorities cannot compel applicants to enter into pre-application discussions (NPPF, paragraph 189). These are voluntary arrangements. The Mayor cannot insist on pre-application engagement through the draft London Plan.

Part H 4)

The Mayor cannot insist that local planning authorities use architect retention clauses in legal agreements. Developers need to be free to appoint whomsoever they choose who they consider has the skills and expertise to help deliver the project. Developers

may need to appoint different architectural practices for the planning and design and building stages as not all architects are equally competent in both stages. This policy would also be anti-competitive in fee terms, and where the 'retained' architect has not the capacity to devote to a project. In practice, there are very significant incentives to retain the same architect throughout, but this is not a planning issue. Moreover, it would be highly inappropriate to require that an architect not employed at either the planning or building stage, should then be appointed as a design reviewer. Although good design has some general principles, this is still largely a subjective area. There is consequently a risk that an architect who is aggrieved at failing to secure a contract, may find reasons to fault a project at the Design Review phase. This clause should be deleted.

Policy D3: Inclusive design

We note the policy. The requirement that in all developments needing lifts one should be a fire evacuation lift suitable for disabled people is understandable. We note that the *London Plan Viability Assessment* has factored-in this cost (see paragraph 5.8.15). As most residential schemes will have to include this (because 10% of homes in all schemes must be wheelchair accessible, as required by Policy D5) and it will cost in the order of £20,000 per dwelling, this will be challenging for viability. This is especially the case in lower value areas on the basis of 35% and 50% affordable homes (see paragraph 14.2.4). This policy is unlikely to incentivise the construction of multi-storey blocks of apartments on small sites in the boroughs of outer London.

We understand the need to improve inclusivity, but as the Viability Report documents, we are not convinced that this objective can be achieved at the same time as all the other draft London Plan policy objectives, such as 50% affordable homes.

The Mayor will need to monitor how his design and construction policies together with his affordable housing targets are affecting the delivery of the housing targets. This is why it is important that the Housing Delivery Test is not adulterated by the Mayor, and that our recommendation that the Design Review process should be suspended in cases where local authorities have to produce an action plan to remedy past failure, should be incorporated in the draft London Plan.

Policy D4: Housing quality and standards

Part of the policy is unsound because it is ineffective.

We consider that it would be sensible to inject some flexibility into the policy to allow for circumstances where it may be acceptable to allow for homes to be built to a size that is smaller than the Nationally Described Space Standards or where it is not possible to provide the private outside space required, or where good communal amenity space is already available. This should be a matter for the local authority to judge. This flexibility may be necessary to encourage the best use of sites and to help support the delivery of small sites.

To this end we recommend that Part D is amended to read:

“D Housing developments are required to meet the minimum standards below unless other material circumstances justify a departure. These standards apply to all tenures...”

Policy D6: Optimising housing density

The policy is unsound in places because it is unjustified.

There is a fundamental tension within the draft London Plan. Its ability to support the delivery of 65,000 homes a year requires securing a much higher density of development across all development locations in London. The ability of the draft London Plan to deliver its housing targets depends on these increased densities being achieved as well as a not insignificant volume of land coming forward in suburbia to secure the small site targets. However, to square this – to ensure that development at density and in more untypical locations is acceptable to the public – requires a much higher degree of design scrutiny. More schemes will be referred to the Mayor. This is what Part C articulates. The much more involved Design Review process outlined in the draft London Plan, however well intentioned, is simply not compatible with supporting the construction of 65,000 net housing additions a year. The process will be slow and costly, and will probably result in many non-implementable schemes.

We can understand why the Mayor would have to introduce his Design Review as a safeguard against the kind of problems that might arise from the removal of the density matrix; namely the risk of more unsuitable schemes popping-up that are incompatible with local context, local amenity and which might be environmentally harmful. The problem the Mayor has is that he also needs to deliver his housing targets. While no one can prove that the Design Review process will be injurious to housing delivery, it would be true to say that the new system is largely untested. Experience based on past experience with CABE's Design Review process suggests that it will create more uncertainty as well as severely slow down the planning determination process, especially at a time when local authority planning departments are under-staffed and under-resourced.

We consider that the delivery of 65,000dpa in London is a wildly optimistic especially when a large component of this supply will have to be subject to the new Design Review process.

Part B 3) is unsound because it is negative, unjustified and ineffective.

Part B 3) requires that where development is contingent on the provision of the necessary infrastructure and public transport services the development should be phased. This is unlikely to be conducive to the delivery of the housing targets required, or the provision of the infrastructure needed in developments, as in many cases bank loans to builders are agreed on the basis of phased repayments of the loan with those repayments financed from the completion and sale of homes in the early phases. In addition, it is these early sales that help to pay for the Mayor's CIL, the borough CILs and site specific S106.

It is frequently the case that much of the infrastructure is not in place in the early phases of a development. The obvious example is Nine Elms where the funding for the delivery of the Northern Line Extension – which is not due for completion until 2020 – is being financed in part by the completion and sale of units in the early phases. The possibility that planning permission for new homes will not be approved until the infrastructure is in place, especially in the certain housing locations such as the Opportunity Areas which are key to the success of the London Plan, represents a significant risk to the delivery of the housing targets. This is unsound reasoning by the Mayor: the requirement is unreasonable and fails to reflect the positive planning principles of the NPPF.

This sentence should be removed.

Paragraph 3.6.8

We recommend that this supporting paragraph is re-drafted to refer to the Mayor's Service Charge Charter.

Policy D8: Tall buildings

The policy is unsound because it is ineffective.

The construction of more tall buildings for residential and mixed use is likely to become more important part of how London's housing needs are accommodated in the future. We are sceptical, however, of London's ability to build more towers immediately. There will be significant environmental and contextual challenges that will need to be overcome. Greater public acceptance of tall buildings will also be needed, and this will require a change in outlook on the part of London's residents. Conversely, and understandably, the public may refuse to acquiesce to the hectoring of architects, designers, builders, and policy wonks. Given the suburban character of large areas of London – turn of the (19th/20th) century and 1920-30s housing built at low density – it will take a while for attitudes to change and accept re-development at higher densities. The people may not accept it at all. People may well treasure London's suburban districts and fight to preserve these.

This is why we are unconvinced that the Mayor can achieve the yields he expects from his tall building and his small sites assumptions in the small time he has allowed himself (2019-2028). This will be a much more gradual process.

Nevertheless, it is appropriate to encourage the development of more tall buildings in locations that benefit from good public transport connections.

The key issue for this policy is how the draft London Plan can provide a guide for developers and decision-takers to help them know what would be an acceptable height for any area in question.

We note Part A of the policy. We agree that what might be an appropriate height for any location in question is a matter that can only reasonably be assessed by the London LPA in question. They would need to undertake a contextual assessment of their area. We agree that the draft London Plan cannot do this. (This is why the Mayor is mistaken in thinking that he can stipulate what the London LPAs should do in terms of Local Plan making).

This leads onto the central problem we have with this draft London Plan: it is overly confident about the housing capacity for each London local authority, based on hypothetical scenarios relating to the density of development. However, the Mayor cannot be certain about London's capacity, because as policy D8 demonstrates, what might be considered to be an appropriate height and density for a locality, depends on the completion of contextual studies undertaken at the local level. These studies will need to be completed as part of the Local Plan making process. Approval of tall buildings cannot be given until these contextual studies have been completed and adopted in a Local Plan. By the time these contextual studies are complete, Local Plans adopted, and permission granted, many years of the current draft London Plan period of 2019-2028 will have elapsed. The housing targets, therefore, cannot be delivered in time. Too many years will have passed, and the backlog that

will accrued since 2019 will be too big. This will result in a serious shortfall against need.

This speaks to the flaw at the heart of the draft London Plan: that it is too dependent on a hypothetical land supply assessment, including some very heroic assumptions about small site supply and site yields, but the detail that is necessary to support the effective delivery of the housing targets depends on supporting contextual studies even those these studies will not be completed in time to enable 650,000 homes to be completed 2028.

The housing targets and the Mayor's brownfield assumptions are wholly unrealistic. This policy illustrates the flawed thinking behind the draft London Plan.

D11: Fire Safety

The policy is unsound because it conflicts with national policy.

Policy D11 proposes that the London Plan will require new development proposals to achieve the 'highest standards' of fire safety to ensure the best possible protection for all building users should a fire break out.

While we understand the desire of the Mayor to make policy in this area, this is a matter for the Building Regulations. It is not a planning matter. The Building Regulations are statutory documents which are separate and distinct from Town Planning. In light of the tragic Grenfell Tower Fire the Government is reviewing how the building regulations control how buildings are to be designed or modified on the public grounds of safety and sustainability. It is considered that the findings of this review need to be complete. There is a danger that the London Plan and London Local Plans may provide policy and guidance in this area this may be inconsistent with other legislation and Regulation on this matter that will emerge, such as that which will follow from the Independent Review of Fire Safety and the Building Regulations by Dame Judith Hackitt.

For example, there is currently a big debate taking place as to whether the MCHLG's Approved Document Part B is fit for purpose. The Hackitt Review will take a view on this. This means that third party assessors could pass something as being 'safe' in terms of the interpretation of the current Approved Document B, but this might be found to be 'unsafe' following the published verdict of the Hackitt Review.

The Mayor's attempt to develop policy in this area also conflicts with the Government's Written Ministerial Statement of 25 March 2015, which restricts planning authorities from establishing standards that relate to the construction, performance and internal layout of new dwellings.

We highly recommend that this policy is deleted.

Second - albeit this is a very much a subsidiary point - it is unclear what the Mayor might consider the 'highest standards' of fire safety to be. He will need to specify this. If this is a matter for the relevant London LPA to judge, based on the production of the Fire Statement, then it would be helpful if the policy stated this.

D12: Agent of change

The policy is unsound because it is ineffective.

We acknowledge the tension that arises from accommodating London's very great development needs within its existing urban footprint while also safeguarding the amenity of existing residents and the operation of existing businesses. The Agent of Change principle places the onus on new development to mitigate the impact of noise.

The Policy needs to be clear, however, that the applicant is only required to mitigate the effect of noise from existing operational business / industrial / leisure etc uses and not any noise that might emanate from potential future development or changes of use. It would be impossible and therefore unreasonable for the local authority to expect the applicant to assess future potential changes of use that might have a noise impact.

The policy might also list existing noises where it would be unreasonable to expect a developer to sound-proof against; such as church bells, school children, London City Airport, Heathrow flight path, trains, emergency service depots, ice cream vans, etc.

Ultimately, the policy needs to be re-drafted so that it can be applied more flexibly by the London boroughs, to take into account the impossibility (and arguably the undesirability) of screening out all sounds, such as those we have listed in the preceding paragraph. To this end, Part B of the policy should be re-worded to read:

"B Boroughs should have regard to the Agent for Change principle when preparing Local Plans and making planning decisions. In preparing Local Plans and making decisions they should take account of..."

Chapter 6: The Economy

The various policies in this Chapter place far too much onus on residential developers to resolve London's employment space problems with the inevitable competition for land that results from this. The level of detail and conditions all these policies impose on residential development will either render development very unviable or else result in lengthy negotiations as applicants and the LPA and the GLA debate over what will have to be dropped to ensure an implementable scheme.

Residential developers generally are not expert at building and managing employment space, but this is what the London Plan now expects. Only the largest PLC housebuilders may prove capable of doing this, but even this will be costly for them. It will result in prolonged negotiations with the Boroughs and the GLA. This will soak-up money that should be directed towards supporting other more vital planning objectives, such as providing more affordable housing and it conflicts with the Agent for Change principles that the Mayor now wants embedded in the London Plan.

On the whole, the policies in this chapter are wholly unrealistic and will prove ineffective in either protecting and enhancing employment space or supporting the delivery of housing. This is over a period when overall housing supply will need to double.

Policies E1: Offices

The policy is unsound because it is unjustified and in-effective in terms of helping to deliver London's housing needs.

Our chief concern with this policy concerning employment/industrial land is it will tend to reduce and land available for housing supply, rather than increase it. While we

acknowledge the theory that encouraging higher densities and mixed uses will help to improve housing delivery while avoiding any net loss of the employment space, and enhancing provision, the truth is that these policies will add complexity and cost of the development process and this will deter applications.

The redevelopment of offices where these are surplus to local requirements has been an important component of London's housing supply. The introduction of stricter policies controlling the loss of office land as well as enhancing supply, will make development more difficult.

Part E. In terms of Part E we consider that the individual London planning authorities are better placed to judge whether existing viable office space outside of the CAZ and NIOD should be retained. We recommend that Part E is re-worded to read:

"In bringing forward their Local Plans, LPAs should consider whether it is appropriate to retain all existing office floorspace. LPAs should consider applying Article 4 Directions to remove permitted development rights..."

Part G. This part of the policy should be re-worded to allow the London LPAs a greater element of discretion in their Local Plans in terms of how this policy is applied, reflecting the possibility that the attainment of other policy objectives including supporting housing delivery, may be locally more important than enhancing the supply of employment space. We recommend that Part G is re-worded to read (our recommended additional text is underlined):

"G *Development proposals should:*

- 1) *Where appropriate, take into account the need for lower cost and affordable workspace...*
- 2) *Where feasible and viable, examine the scope for the re-use of otherwise surplus large office spaces for smaller units."*

Policy E2: Low-cost business space

The policy is unsound because it is unjustified and ineffective.

Whether it is appropriate to always protect and increase the amount of low cost B1 business space in new developments when balanced against other planning objectives (such as 50% affordable housing), is a matter for the London LPAs to determine as they prepare Local Plans. The policy should be more flexibly worded to allow the LPAs greater discretion in the application of the London Plan policy in this regard. Part B should be re-worded to read (our recommended additional text is underlined):

"2) Where feasible and viable ensure that ~~an equivalent~~ B1 space is re-provided in the proposal..."

3) Where it is possible applicants should be encouraged to provide alternative accommodation..."

Part B should be redrafted to read:

"Where feasible and viable and having regard to other planning objectives development proposals for new B1 business floorspace..."

Policy E3: Affordable workspace

The policy is unsound because it is unjustified.

This policy is too onerous.

Part C

We recommended that Part C is re-worded to allow the Boroughs through their Local Plans to decide whether it is appropriate to develop more detailed affordable workspace policies. We recommend that Part C is re-drafted to read:

“Boroughs, in their ~~Development Plans~~ Local Plans, are encouraged to consider more detailed affordable workspace policies in the light of local evidence of need and viability and other material considerations such as the need to support housing delivery, including the need to improve the supply of affordable homes.”

Part F

We do not understand why this part of the policy has been drawn-up. While we appreciate the desire to protect industrial land as far as possible – although some flexibility on this is desirable – a requirement to ensure that workspace floor-space has to be completed and is available for use before the residential elements are occupied is unreasonable. Many developments rely on advance home sales to shore-up the viability of schemes: it provides cash-flow including the ability of developers to pay CIL up front which is a requirement of the Regulations.

We are also aware that the Mayor and the public are concerned about new homes being left empty (although the evidence provided UCL and York University for the GLA suggests that this is far less of an issue than people imagine). This policy would hardly help in this regard, or more importantly, help those households in desperate need of accommodation.

This policy would also give a misleading impression to Government and the general public of the extent to which London was meeting its housing targets if a proportion of these homes were not actually allowed to be occupied pending the need to find occupiers for the workspace.

Part F should be deleted.

Policy E4: Land for industry, logistics and services to support London’s economic function

The policy is unsound because it is unjustified.

We have previously commented on our concerns about the impact of the employment policies on the future supply of land for residential development. This is primarily a consequence of the aim of no net loss of industrial floorspace capacity in the SIL and the LSIS (paragraph 6.4.3 refers to the volume of the land in these categories). While we can understand concern about the rate at which industrial land was transferred to other uses, presumably residential in the main, as set out in paragraph 6.4.4, the fact is that if this supply is now to be significantly reduced at a time when housing supply needs to double, then alternative sources of land must be identified by the draft London Plan.

The Mayor's trump card is to mix uses and raise densities. This is a risky strategy and one that is by and large untested. As an untested approach it may take time for the development industry – residential developers and commercial developers - to gain expertise in integrating uses. These are new skills that will not be acquired in sufficient scale quickly enough across the development industry (and certainly not by new entrants) to guarantee the delivery of 65,000 homes each year from 2019.

Furthermore, given the growth in demand for commercial floorspace, and in particular logistics, it is our view very unlikely that opportunities for mixed use will come forward on anything like the scale envisaged in the Plan. Indeed, the logistics sector is increasingly looking at multi storey provision on its existing sites in order to accommodate demand arising from the absence of new sites.

Part B is unsound because it is unjustified.

Also, we do note that the draft London Plan does identify scope for the redevelopment of redundant utilities sites, as in Policy H1 B 2) F. The policy should make this distinction. We recommend that the footnote 78 to B 3) is amended to provide clarity that redundant utilities and transport land is not formally covered by the SIL and LSIS designation in a Local Plan. Footnote 78 should read instead:

“Sites containing industrial and related functions that are not normally designated as SIL or LSIS in a Local Plan including sites previously used for utilities or land for transport related activities which have been assessed by the local authority as no longer being required.”

Footnote nine should also be elevated into the main text of the policy rather than sit as a footnote.

Policy E5: Strategic Industrial Locations

The policy is unsound because Part D conflicts in part with national policy.

We appreciate the importance of safeguarding Significant Industrial Locations (SIL) in London. Unlike some policies in the draft London Plan this is an issue that it is quite appropriate for the draft London Plan to address.

However, it is clear that the Mayor has allowed some of the boroughs, to allocate SIL sites for residential development. This is described in paragraph 2.57 of the SHLAA 2017. It is unclear how many SIL sites have been exempted (the SHLAA does not provide the detail) but we expect it includes some.

We support part D that allows the re-development of SIL sites for other uses (other than those set out in Part C). We agree that this should be done through the preparation of an up-to-date Development Plan (although this should be changed to Local Plan). We are not sure that it should be allowed through the other channels that are referred to in part D.

We are not sure what a 'planning framework' is as referred to in this paragraph, or what is meant by a "coordinated master-planning process in collaboration with the GLA or relevant borough". If it is vital that existing SIL sites are protected then the re-allocation of these should only be allowed to occur through a Local Plan that is open to proper public scrutiny. This Local Plan will be prepared with reference to the draft London Plan.

Part D should be amended to omit the references to planning frameworks and master-planning as it is unclear what these are and because strategic allocations – including a change of use from one strategic use into another - should really only be made through a Local Plan (NPPF, paragraph 47).

Policy E6: Locally Significant Industrial Sites

The policy is unsound because it is ineffective.

We appreciate the importance of safeguarding Locally Significant Industrial Sites (LSIS) in London. We have no doubt that such sites are coming under increasing pressure for re-development for residential use. However, it is clear that the Mayor has allowed some of the boroughs, to allocate LSIS sites for residential development. This is described in paragraph 2.57 of the SHLAA 2017. It is unclear how many LSIS sites have been exempted (the SHLAA does not provide the detail) but it probably includes some.

We consider that the question of whether an LSIS site should be allocated for redevelopment (mixed use where feasible or for pure residential) is properly a matter for the local authority in question and it should be able to explore this question through its Local Plan. As a local designation it is more appropriate that decisions over the future of these sites should be made the LPAs. Policy E6 should allow the London LPAs some discretion to decide whether it is appropriate for these sites to be kept as industrial sites. This should be explored through the preparation of a Local Plan. This would allow third parties, including the Mayor of London, to challenge a decision by a Borough to re-allocate. We recommend that Policy E6 is re-drafted to include a new paragraph at the beginning that reads:

“A ~~Through their Development Plans~~ Local Plans, ~~boroughs~~ London LPAs should:

1) *explore as part of their assessment of their housing and employment land supply needs whether LSIS sites should still be retained for industry. This judgement should be based on consideration of up-to-date material considering the future demand for such sites for industry in the local authority. Such sites can only be re-allocated for residential development through the Local Plan process;*

2) *Define detail boundaries and policies...etc”.*

Policy E7: Intensification, co-location and substitution of land for industry, logistics and services to support London’s economic function

The policy is unsound because is it unjustified and ineffective.

The concerns we have expressed regarding Policy E4 apply equally to this Policy. The commercial sector is already pursuing intensification of existing sites to meet demand, e.g. Segro are now promoting multi storey warehouses of up to four storeys. We understand that warehouses of up to 14 storeys are being constructed in Asia. Our concern that the aim of this policy to provide mixed-use development on SIL, LSIS and Non Designated Industrial Sites, is that it is unrealistic. Mixed use schemes are unlikely to be pursued at sufficient scale to provide the number of homes the Mayor expects from this source.

We note paragraph 2.50 of the SHLAA 2017. The SHLAA gives a 'low probability' rating of:

40% for LSIS sites in a 'restricted' borough;
50% for LSIS sites in a 'limited' borough;
60% for LSIS sites in a 'managed' borough.

Paragraph 2.51 states that a broadly similar approach is taken for Non-Designated Industrial Land except the probability estimate is increased by 5% in the 'restricted' and 'limited' boroughs.

Needless to say, the SHLAA does not describe to people which boroughs fall within these categories and how this correlates to land supply/housing yield expectations.

Setting to one side the opaqueness of the SHLAA, the discounts are still too generous. In view of the difficulties of developers integrating housing with industrial uses (environmental and health and safety hazards and Agent for Change objectives) the discounts are too generous. It would be safer to assume that no more than 20% of these sites (LSIS and Non Designated) will ever be developed for mixed-use, and even this 20% seems very generous to us.

Moreover, these are merely estimates based on hypothetical assumptions by the GLA. Such estimates should not take the place of rigorous housing land supply assessments as part of the preparation of a sound Local Plan.

The Mayor is wholly unrealistic to expect industrial sites to be re-developed for mixed uses, while also providing the residents with the appropriate environmental, health & safety safeguards, including meeting Agent for Change principles, while also providing 50% affordable housing. Despite the theory, industrial and residential mixed use development is unlikely to be viable, or attractive to purchasers, in practice.

The impact of this policy is likely to be felt most in the Opportunity Areas (OAs) of outer London where the combination of increasing industrial land values and falling residential land values will make mixed-use schemes much less attractive. This will have an adverse consequence for the housing supply estimates from the OAs.

We note figure 6.3. We accept that the illustration in figure 6.3 is 'simplified' but we would argue that the assumptions are over simplified to the point of being unrealistic. As a minimum we would expect to see significant evidence that the commercial sector supports this proposal, especially in terms of the near elimination of a B8 yard from the storage and distribution component. (We are really struggling to see how this would be acceptable or safe for residents).

The NPPF requires that Local Plan should be aspirational but they must also be realistic. The Mayor's industrial-residential mixed use assumptions are unrealistic in this regard.

We consider that all the discounts must be adjusted to a uniform 20%.

Part D

The Mayor is extending his control to the development of Non-Designated Industrial Sites through this draft policy. While we understand the Mayor's concern to protect industrial sites of all types. Even so such sites will have contributed to a proportion of

housing delivery across London in the past decade. This will be reflected in the trend for housing completions across London. If this component of past supply is ‘switched-off’ entirely, this may have a deleterious effect on sustaining housing delivery in London. We think the draft London Plan should allow for more discretion at the local level as the London LPAs may be better placed to assess the need to retain all Non-Designated Industrial Sites. We consider that the assessment of the need for, and allocation of, Non-Designated Industrial Sites for residential or mixed-use development should be a matter for the London LPAs to assess and consider as they prepare their Local Plans. Following an assessment of the need for Non-Designated Industrial Sites, if the LPA considers that it has a surplus of industrial space, and that some sites lend themselves to re-development for another or mixed-use, then they should be able to allocate them for these uses through the Local Plan. To this end, we recommend that Part D is re-drafted to read:

“D Local planning authorities are required to assess locally the need for Non-Designated Industrial Sites through the preparation of their supporting Local Plans. Local planning authorities may choose to redevelop these sites for mixed-use or residential development proposals where: ...”

Part E3) is unsound because it is unjustified

It is unreasonable to demand that the industrial, storage and re-distribution uses are completed and operational in advance of any residential component being occupied. Advance sales of residential schemes may well be crucial to the viability of mixed-use schemes and paying the CIL and S106 infrastructure requirements.

Part E3) should be deleted.

Policy E11: Skills and opportunities for all

We support this policy. It is helpful that the policy is not too prescriptive about how S106 obligations are used to support construction skills.

Chapter 8: Green Infrastructure and natural environment

Policy G2: London’s Green Belt

The policy is unsound because it conflicts with national policy.

The NPPF requires local planning authorities to establish their Green Belt through the preparation of Local Plans (NPPF, paragraph 83). This allows for Green Belt boundaries to be altered in exceptional circumstances through the preparation or review of the Local Plan.

The draft London Plan – going further than the current London Plan (as well as previous iterations) – removes this ability by stating that de-designation will not be supported.

We do not agree that the Mayor can remove the ability of local planning authorities to review their Green Belt, including the potential for de-designation, through the draft London Plan. Nor do we consider that the Mayor’s planning powers extend to the extent that he can remove this option through the draft London Plan.

The London Plan is not a Local Plan as the Mayor is anxious to remind people. The Mayor, therefore, cannot remove requirements of national planning policy that relate

to Local Plan making that local planning authorities will need to consider when they are planning for the development needs of their area. There may be exceptional circumstances where a London LPA decides that the re-drawing of the Green Belt is necessary and justified to accommodate development needs in a sustainable way. The NPPF allows a local planning authority to do this through its Local Plan (NPPF, paragraph 83). While the Mayor may set strategic policies that aim to reduce the likelihood of Green Belt being amended, it is for each local planning authority to decide the most sustainable approach to delivering development in its area. As with the Duty to Cooperate, it is for each local authority to consider how its development needs can best be accommodated when preparing its Local Plan.

The Mayor could only remove this discretion if all the London LPAs voluntarily agreed that he should undertake this function collectively on their behalf. Even then, the Mayor would only be able to define the broad extent of the Belt. When the Green Belt was first established through County Structure Plans the extent of the Belt still had to be defined in the Development Plans. Only the Local Plan can define the extent of the Green Belt.

To be able to make policy on the Green Belt for Local Plans – in order for the Mayor to definitively rule-out the possibility of the release of Green Belt land during the life of the London Plan – the Mayor would have to undertake a strategic Green Belt review of all of London's Green Belt in order to define its boundary (NPPF, paragraph 81). Any enhancement activities relating to the Green Belt, such as those described in part A 2) of the policy, could only occur once the Green Belt has been defined. However, because the Mayor has not defined the Green Belt, he cannot direct that Green Belt is amended, or not amended, through the draft London Plan. This is the responsibility of each local planning authority with a Green Belt. It is they who will have to decide how best to meet their development needs in the most sustainable way. Moreover, it is they who will have to agree Green Belt boundaries with their neighbouring authorities in the WSE.

A related but secondary point, is that the review of the Green Belt cannot be a one-way process as the current draft policy implies. The Mayor is wrong in arguing in part B that the Green Belt can be increased but not decreased, or, that Green Belt release can be compensated for by new designations elsewhere. The Mayor could only conclude that the Green Belt could be increased and new designations made after having undertaken a strategic Green Belt review which defines the Green Belt in the draft London Plan. Until he has done so, and until he has the authority to do so, the London boroughs cannot be fettered in this way. They are responsible for defining the Green Belts through their statutory Local Plans, not the Mayor.

Furthermore, a strategic Green Belt review would need to involve a conversation with some of the authorities of the Wider South East (WSE) because the delineation of the Green Belt boundary might have to involve discussions with those WSE authorities who occupy the outer edge of the Metropolitan Green Belt, and where they may be effected by any decisions on the location of development. These WSE authorities may want to release Green Belt land to meet their housing needs. The Mayor's policy fetters them in this respect as they may need to define a new Green Belt boundary with the cooperation of the London boroughs. The Mayor does not have the authority to fetter the authorities of the WSE in this way.

This then raises a further point. Because the Mayor is not responsible for the Duty to Cooperate (although he ought to be if the draft London Plan was truly a strategic plan) he cannot make policy on the Green Belt in any reasonable or practical sense. He cannot make policy on the Green Belt in any reasonable or practical sense

because he is unable to manage the strategic cross boundary discussions with the WSE that would need to occur through the Duty to Cooperate if the Green Belt was to be altered. Because, they Mayor claims he is not lawfully responsible for the Duty to Cooperate, he cannot shape policy on the Green Belt. If the Mayor wishes to make policy on the Green Belt he must assume responsibility for the Duty to Cooperate (on behalf of all 35 LPAs of London). This is because the Duty to Cooperate would have to be engaged as a consequence of an LPA in the WSE wishing to amend its Green Belt boundary.

Part B of the policy, therefore, should be re-drafted to reflect the national policy:

“B In preparing their Local Plans the Boroughs will:

- 1) extend the Green Belt in exceptional circumstances;*
- 2) de-designate land in the Green Belt in exceptional circumstances.”*

Better still, because the suggested amendments add nothing of substance, because the Mayor has no remit here, it should be deleted.

This all points to the major failing with the draft London Plan. It is not a strategic spatial plan at all. It is just a big local plan that interferes too much in the detail of the work of the London boroughs.

Policy G3: Metropolitan Open Land

The policy is unsound in part because it conflicts with national policy.

In contrast to the policy on the Green Belt the policy for the Metropolitan Open Land (MOL) is better since part C refers to alterations of the MOL boundaries through the Local plan process. MOL is treated as equivalent to the Green Belt. Therefore it must be subject to the same planning disciplines as apply to Green Belt land. Part B should be amended so that extension of the MOL can only be made through a Local Plan:

“B The extension of MOL designations should be ~~supported where appropriate~~ undertaken through the Local Plan process.”

Part D should be amended so that the draft London Plan is clear that designation of new MOL should only occur through the Local Plan process:

“D Boroughs should designate MOL through the Local Plan process by...”

Policy G4: Local green and open space

The policy is unsound because it conflicts with national policy.

Paragraph 76 of the NPPF describes how the designation of Local Green Space is a matter for local authorities to determine as they prepare Local Plans and Neighbourhood Plans. The draft London Plan should not attempt to fetter the work of LPAs in this respect. This is not a strategic matter where it is appropriate for the Mayor to shape policy.

The Greater London Authority Act, 1999 in Part VIII, Section 334, (5) states that: *“The spatial development strategy must deal only with matters which are of strategic*

importance to Greater London". While this could – and has – been interpreted widely, policy on Local Green Spaces is clearly a non-strategic matter.

NPPF, paragraph 76 states that "Local Green Spaces should only be designated when a plan is prepared or reviewed". Part B of the draft London Plan, as currently worded, does not reflect this requirement of national policy. In so far as the Mayor should have any remit in this area – and we do not believe that he has – Part B should be re-drafted to read:

"B The designation of new areas of publicly accessible Local Green Space should be undertaken through the preparation or review of the Local Plan."

Policy G5: Urban greening

The policy is unsound because it is ineffective.

Part B of the policy requires the London LPAs to develop an Urban Greening Factor (UGF) to identify the most appropriate amount of urban greening required in new developments. First, this is really a local matter and we do not think it is appropriate for the Mayor to formulate policy in this area. The Greater London Authority Act, 1999 in Section VIII, Sub-section 334, (5) states that: "*The spatial development strategy must deal only with matters which are of strategic importance to Greater London*". While this could – and has – been interpreted widely, policy on measures to support urban greening is clearly a non-strategic matter.

Second, the introduction of a local policy on Urban Greening and the adoption of an Urban Greening Factor could only be introduced through the Local Plan to ensure that any requirements are proportionate, reflect viability and do not jeopardise housing delivery (NPPF, paragraph 153). As part of the Local Plan preparation, the London LPAs would also need to consider whether it is appropriate, and viable, to apply the UGF to non-major applications, as paragraph 8.5.3 of the draft London Plan discusses.

The policy should be amended to reflect this. Part B should be re-worded to read:

"B Through their Local Plan Boroughs should develop an Urban Greening Factor..."

Chapter 9: Sustainable Infrastructure

Policy SL2: Minimising greenhouse gas emissions

The policy is unsound because it conflicts with national policy and because it is ineffective.

The policy requires that major development proposals should be net zero-carbon.

New homes built in the last decade are far more energy efficient than the rest of the existing housing stock. New homes are required by law to comply with Part L of the Building Regulations. The new homes that will be built in London over the next decade will constitute a very small percentage of London's overall dwelling stock. We are concerned that any objectives for energy efficiency directed at new builds that aim for higher levels targets of energy efficiency than the current Building Regulations will have a very minor impact on improving energy efficiency across Greater London. The targets could have a much greater impact on the ability for new

development to contribute to other policy objectives especially affordable housing and public transport. Support for improving public transport connections in outer London through S106/CIL would have a far more beneficial effect on reducing carbon emissions than the negligible gains to be attained exceeding the current Part L especially when the putative gains are difficult to measure.

The HBF strongly opposes the Mayor's position on zero carbon. The Government, though its *Housing Standards Review* and the WMS that was published in the wake of this on 25 March 2015 that sought to clarify the regulatory regime, decided to improve energy efficiency for residential buildings through Part L of the Building Regulations. We acknowledge that the Government has not enacted its proposed amendments to the Planning and Energy Act 2008 that would prevent local authorities from stipulating energy performance standards that exceed the Building Regulations, but we consider that the Mayor should comply with the spirit of the Government's intentions. This is for the following reasons.

As we recently commented in our response to the National Infrastructure Commission's consultation on its *National Infrastructure Assessment* (NIC), standardisation is the key to success in this as well as other areas of policy. We need to avoid every planning authority in the country specifying its own approach to energy efficiency. This militates against economies of scale for both product manufacturers and suppliers and developers. There should be a single standard for the whole country and local authorities must be made to adhere to this. This is why the Government had set Part L of the Building Regulations at the 2013 level (through *Fixing the Foundations*, HM Treasury, July 2015). Standardisation was the aim, and because it had a difficulty in defining allowable solutions to enable its zero carbon target to be achieved from 2016 onwards. Unfortunately, this has not stopped some areas of the country from ignoring this direction of national government and they have set zero carbon targets, as in the case of Greater London and Brighton & Hove. We need much more standardisation and no latitude allowed to combined authorities and local authorities to deviate from national standards. We consider this an important message. The Building Regulations is not an area that combined authorities and local authorities should be allowed to interfere in by creating their own local standards.

There is also a practical problem associated with measuring compliance. If the Mayor insists on stipulating targets that go further than current Part L by establishing through policy S12 a 'zero carbon' target, then it will need to define what this will look like – i.e. how it can be achieved. The reason why the previous ambition to achieve zero carbon homes by 2016 was dropped by the Government in 2015 was because it failed to define a technically feasible way of doing this, i.e. what one could practically do to get from Part L 2013 to zero carbon.

This means that the requirement by the London Plan and the Brighton & Hove Local Plan for all homes to be zero carbon, while looking good on paper, is technically unachievable.

The Mayor tries to get around this problem by coming up with an alternative definition of what is 'zero carbon'. For the Mayor's, the definition of 'zero carbon' is a 35% improvement on the current Part L. Acknowledging that this is impossible to achieve on site, the Mayor requires applicants to pay into a carbon off-set fund operated by the local authority if they cannot deliver it entirely on site (a bit like the 'allowable solutions' the Government was experimenting with but dropped because it failed to come up with a definition of zero carbon). This is not in fact zero carbon, but a higher efficiency target coupled with a tax if the 35% cannot be approved on site.

It is the HBF's considered view that combined authorities and local authorities should not be allowed to interfere in the Building Regulations by setting different targets or policies outside of a national framework. We support the movement towards energy efficiency but we need a clear and nationally consistent set of standards, and a timetable for achieving any enhancements, that is understood by everyone and which can be technically implemented. Regulatory clarity and concentration of effort is vital; dissipation will result in muddle and failure.

We do not support the policy because it deviates from the decision by Government to set standards for energy efficiency through the national Building Regulations and to maintain this for the time being at the level of Part L 2013. The material gains in terms of energy efficiency will be offset by the social costs of housing under-delivery.

It is also necessary to stop combined authorities/local authorities from prescribing their own preferred routes to achieving the energy efficiency targets established in the Building Regulations. The route to achieving carbon compliance should be technology neutral. This will enable developers to choose the most appropriate, cost-effective and publicly popular technologies to adopt. The Mayor should not, in part A of the policy stipulate how carbon compliance should be achieved. This is anti-competitive. The policy creates the risk of lobbying by particular producers or the adherents of particular approaches to have their favoured technologies adopted as part of planning policy regime. This would represent an abuse of the role of the planning system and it may well not result in the best outcomes being delivered over time in terms of energy efficiency and for residents. It binds residents in to having to use and pay for the up-keep of certain technologies that may become very expensive to maintain in the long run. People have the right to switch suppliers. The ability of home owners to be able to choose who their energy supplier is, and the means by which their energy is generated, is a very important market principle that must be defended. Customers must not be locked-into potentially expensive and exploitative contracts encouraged by planning policy. This is a question that the NIC has explored through its recent *National Infrastructure Assessment* consultation.

The industry has a number of unanswered questions in terms of the technical ability and efficacy of what the Mayor is trying to achieve through his draft London Plan. Until these are answered by the Mayor, defining targets and allowing these to be expressed as policy when they cannot be accomplished technically will create a roadblock to increased housing delivery.

The Mayor is misleading the general public. It is raising an expectation that all new residential development will be zero-carbon when this will be impossible to measure or guarantee. As such the policy is in-effective.

Policy SI3: Energy infrastructure

Part D is unsound because it is unjustified.

We object strongly to the Mayor insisting that developments with Heat Priority Areas must provide communal heating systems. This is a miss-use of planning policy to advance the interests of the producers of particular technologies. Planning policy should be neutral in terms of how regulatory requirements and policy targets are met. How developers comply with the Building Regulations and the London Plan targets should be a matter for them to decide. Sometimes it is practical, and developers are keen to plug into these, but sometimes it is not.

We are concerned that customers may be trapped into expensive communal heating schemes with long term and expensive maintenance requirements. The Mayor needs to be aware that the public has a right to switch supplier.

We do not support the use of a 'hierarchy' for the same reasons articulated above – that planning policy should be neutral with regard to the use of particular technologies.

We recommend that part D is re-worded to read:

“D Major development proposals within Heat Network Priority Areas are encouraged to consider providing a communal heating system where this is practical and viable, and having regard to the long-term maintenance costs for residents.”

1) The heat source for the communal heating system should take into account the following:

Policy SI6: Digital connectivity infrastructure

Parts of the policy are unsound because they are unjustified and contrary to national policy.

The Mayor should not stipulate standards on digital connectivity. Following the Government's *Housing Standards Review*, the Written Ministerial Statement of 25 March 2015 announced that local planning authorities preparing Local Plans “*should not set any additional standards or requirements relating to the construction, internal layout or performance of new dwellings*”. In terms of the construction, internal layout and performance of new dwellings, the Mayor and the local planning authorities are only allowed to adopt the three optional technical standards subject to evidence of need and viability. Although the GLA is not a local planning authority and the London Plan is not a Local Plan, the Mayor is subject to national planning policy when formulating strategic planning policies for the London LPAs. The Greater London Authority Act, 1999 in Part VIII, Section 337, sub-section (6) allows the Secretary of State to intervene where London Plan policy deviates from national policy.

We do not consider it appropriate for the Mayor to stipulate standards that are higher than current Part R1 of the Building Regulations.

Part 1) of the policy is also vague in terms of what ‘achieve greater digital connectivity than set out in part R1 of the Building Regulations’ might mean in practice. The wording of the policy is unsatisfactory because it is unclear to applicants and decision-takers as to how they should respond to this.

SI13: Sustainable drainage

Part of the policy is unsound because it is unjustified.

Part B

It is unreasonable for the Mayor to unilaterally specify green-field run-off rates in London. Almost all residential development sites in London will be on previously developed land. If a site in question has an existing or earlier use with a corresponding high surface impermeability (for example, an industrial site with a concrete floor surface) it would be inappropriate to insist on a green-field run-off when the new residential development is likely to improve (reduce) surface water

run-off, albeit not to green-field rates. The NPPF encourages such an approach although we acknowledge that this is not mandatory. The Mayor should consider favourably the benefits of residential development when in the majority of cases, the redevelopment of brownfield sites will reduce the overall permeability of the site compared to an existing or past use and where surface water run-off may have been an issue. The impermeability associated with the past use of the site (and therefore the run-off) can be reduced quite considerably, thereby creating betterment – i.e. the new residential development makes a positive contribution to the wider catchment.

This should be accepted by the Mayor as a benefit of new brownfield development in London compared to existing uses. By contrast, insisting on green-field run-off could militate against housing delivery and the ability to meet other policy goals.

We are aware that network capacity within Thames Water public sewers is being compromised by high levels of infiltration, illicit connections and overly conservative factors to account for urban creep. It is anathema that the Water & Sewerage Sector can be allowed to minimise investment in effectually maintaining its sewerage assets whilst seeking to pass part of the consequential burden onto house builders. This is a material fact that must be taken into consideration as part of any Sustainable Drainage Policy.

Chapter 10: Transport

Policy T1: Strategic approach to transport

Part of the policy is unsound because it is unjustified and not positively prepared.

Part B requires that all development should “ensure that any impacts on London’s transport etc...are mitigated”. Ensuring that any impact on transport is mitigated is too open-ended as a policy requirement. Transport is a very wide category and it would be nearly impossible for an applicant to assess to the satisfaction of the decision-maker that s/he had taken into account all likely impacts on transport or to an extent that would satisfy the decision-taker. This would fail the NPPF in terms of the requirements of planning policies and Local Plans as described in paragraphs 15, 17 and 154. We recommend that the policy is re-drafted to read:

“...and endeavour to ensure that impacts on London’s transport, walking and cycling routes...”

Policy T4: Assessing and mitigating transport impacts

Part C and E of the policy are unsound because they propose things that are contrary to the CIL Regulations and national policy.

Part C states that mitigation could be achieved in part through financial contributions. We recommend that the policy is re-worded in order not to confuse the distinct roles of S106 obligations and the Community Infrastructure Levy (CIL). If money is paid through a CIL towards transport items in a Regulation 123 list, then the applicant cannot lawfully make separate financial contributions to these items. Part C should distinguish between the S106 and CIL. It would be sensible to pay for the cumulative impacts on public transport through a CIL. The draft London Plan should encourage this.

Similarly Part E is misguided in requiring applicants to address wider public transport and public health impacts. These are objectives that are legitimate to pursue through a CIL but not through S106 obligations.

Parts C and E should be deleted.

Policy T6: Car parking

The policy is unsound because it conflicts with national policy.

The Government removed minimum or maximum car-parking standards from national planning policy mainly because where maximum standards were applied it was resulting in cars being parked on pathways and verges. This is a risk with the draft London Plan.

The Government introduced the following change to the NPPF through the WMS of 25 March 2015:

“Parking standards are covered in paragraph 39 of the [National Planning Policy Framework](#). The following text now needs to be read alongside that paragraph: “Local planning authorities should only impose local parking standards for residential and non-residential development where there is clear and compelling justification that it is necessary to manage their local road network.”

National policy is clear that the establishment of car parking standards is a local matter. We consider that the setting of car parking standards is a matter for the local planning authority. Part C of the policy should be re-drafted to read:

“C The local planning authority should have regard to the ~~maximum~~ car parking standards set out in Policy T6.1...”

Policy T6.1: Residential parking

The policy is unsound because it conflicts with national policy.

Reflecting our argument above, Part A is unsound because it is too prescriptive. It should be re-drafted to read:

“A When preparing Local Plans, local planning authorities should have regard to the ~~maximum~~ parking standards set out in Table 10.3...”

Part C is unsound because it is unjustified and because it conflicts with national policy set out in the Written Ministerial Statement of the 25 March 2015.

The policy requires that 20% of car parking spaces should have charging facilities with passive provision for all remaining places.

We think it is premature for the Mayor to develop policy in this area. National policy discourages local authorities from prescribing policies on development standards that go further than the building regulations.

The Government’s shift in policy towards a greater reliance on electric vehicles has the potential to introduce quite serious unintended consequences for housing delivery if not given careful consideration.

As in other areas of environmental policy (such as water and energy efficiency) the Mayor is already anticipating the development of a national policy by seeking to introduce planning policies that impose the wider provision of electric car charging. Many believe that a simple 'end of use' 13amp plug socket is sufficient for this purpose but this is far from being appropriate. Although the provision of in-house charging infrastructure is relatively simple and inexpensive - the real challenges lie away from the house/site.

In terms of grid capacity, the adverse impact that any increase in electric charging could have if more than say 10% of dwellings are to have a re-charge facility is potentially considerable. This warrants careful consideration by the Mayor and by Government. However, this is not necessarily the crux of the matter. Any need to increase the electric loading in an area can be constrained by the size and capacity of cables that are already laid in the ground. If re-charge demand suddenly becomes excessive, then investment in new, increased capacity cable and sub-station infrastructure may well be essential. Needless to say the extent, timing and who will be required to pay for the cost of network reinforcement (most probably the house builders themselves) could be critical considerations for all partner/stakeholder interests. As commented above, such policy initiatives will reduce against the amount of money in a development that is available to subsidise the supply of affordable homes.

We think it is premature for the Mayor to stipulate policy in this area. If electric vehicles are to be encouraged by the Government, and new house building is to be the testing ground, then as in other areas, the implications needs to be carefully investigated by Government and a national approach is needed that is implemented through the Building Regulations. The Mayor and local authorities should not be allowed to develop their own variations and impose this through local planning policy.

However, if Government policy in this direction is to encourage combined authorities or local authorities to pursue the development of local policies for vehicle charging then they should first engage with the main energy suppliers in order to determine network capacity and availability and for this to be done before any related policy is allowed to be crystallised. If there are constraints, then the combined authorities or local authority should again look at timing and investment requirements (from a local plan viability perspective), before crystallising its local plan.

We consider that it is premature for the Mayor to devise policy in this area. A national approach is needed, which should be defined by Government through the Building Regulations.

Chapter 11: Funding the London Plan

Policy DF1: Delivery of the Plan and Planning Obligations

Part A is unsound because it is contrary to national policy.

Part A states that applicants should account for Development Plan policies (i.e. the London Plan and the Local Plan) when developing proposals and acquiring land. Site specific viability testing should be the exception rather than the norm. We consider this to be contrary to national policy. The National Planning Policy Framework is clear that local planning authorities, when requiring obligations, they should be sufficiently flexible to prevent planned development being stalled (NPPF, paragraph 205). Decision-takers are encouraged to approach decision-taking in a positive way and to find solutions (NPPF, paragraph 186) and the need to ensure competitive returns to

land-owners and developers (NPPF, paragraph 173). This is also reflected in the NPPG at paragraph 006 (Ref ID: 23b-006-20140306) which states that local planning authorities should be flexible in their planning obligations requirements. While we appreciate the theory that land-owners and developers should factor-in the cost of development plans policies when deciding whether to acquire land for development, the reality is that if they did, then they would never venture to build anything.

It is not yet Government policy that decision-takers should adopt by default a stance of inflexibility when determining planning applications. It may well be the case that the Government decides to go down this route, as the *Planning for the Right Homes in the Right Places* consultation has explored, but the current national policy position is one that recognises the need for flexibility in the application of policy and regard to viability to ensure competitive returns.

The London Plan and Local Plans should be supported by viability assessments. These can only ever provide a very general view of what might be viable over the plan period. In the case of the draft London Plan this is a 22 year period which covers a very large area (see paragraph 1.2.1). There will be considerable fluctuations in values over this period – sales values, build costs, etc, and by location. The *London Plan Viability Study*, December 2017, recognises this problem in concluding paragraph 14.3.1 which states that the diversity of the London market means that viability varies across the city. Therefore, it recommends that individual schemes will face viability challenges.

The Mayor has a challenging housing target. We appreciate and support the need to prioritise and improve the supply of affordable homes and public transport improvements as outlined in Part D, but achieving these aims will require a lot of flexibility in other areas of planning policy.

We recommend that Part A is re-worded to read:

“Applicants should take account of Development Plan policies when developing proposals and acquiring land. While the priority for planning obligations is affordable housing and contributions to necessary public transport improvements, Boroughs will need to be flexible in the pursuit to other policy objectives and have careful regard to the viability of schemes and to ensure that housing targets are achieved.”

Yours sincerely

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Appendix 1: DCLG 2014 Household Projections and Affordability Ratios for London Boroughs

	DCLG 2014 Household Projection 2019-29 (000's)		Affordability ratio
Inner London			
Camden	16		19.64
City of London	1		14.44
Hackney	22		16.38
Hammersmith and Fulham	7		20.92
Haringey	20		15.63
Islington	17		15
Kensington and Chelsea	3		38.5
Lambeth	17		14.42
Lewisham	23		11.95
Newham	25		11.12
Southwark	20		13.45
Tower Hamlets	33		9.87
Wandsworth	14		18.55
Westminster	16		24
Outer London			
Barking and Dagenham	16		8.81
Barnet	28		14.4
Bexley	12		11.03
Brent	20		14.08
Bromley	19		13.04
Croydon	24		10.66
Ealing	17		15.79
Enfield	24		12.96
Greenwich	21		12.74
Harrow	13		14.77
Havering	14		11.84
Hillingdon	19		11.71
Hounslow	18		10.73
Kingston upon Thames	11		14.81
Merton	11		16.23
Redbridge	21		13.23
Richmond upon Thames	12		18.32
Sutton	13		12.19
Waltham Forest	17		14.65
Total	564	Average	15.03

Appendix 2: Net completions to the housing stock in London

This data is drawn from the GLA excel spreadsheet plus the most recent London Plan AMR for 2015/16 (published in July 2017).

Table 1

Year	Inner London	Outer London	Totals
2004-05	12830	28780	41610
2005-06	14070	31340	45410
2006-07	13670	32460	46130
2007-08	13750	32350	46100
2008-09	14670	34300	48970
2009-10	13690	31330	45020
2010-11	11090	24680	35770
2011/12	11130	25410	36540
2012/13	8630	20380	29010
2013/14	9720	22940	32660
2014/15	10850	25300	36150
2015/16	NA	NA	38553

The data in this table is drawn from *DCLG Live Table 122: Housing Supply: Net Additional Dwellings by Local Authority District, England 2001-02 to 2016/17*:

Table 2

Year	Net additions	London Plan target
2001-02	19,688	23,000
2002-03	21,648	23,000
2003-04	25,775	23,000
2004-05	26,873	23,000
2005-06	28,852	23,000
2006-07	30,927	23,000
2007-08	31,557	30,500
2008-09	32,290	30,500
2009-10	28,330	30,500
2010-11	21,820	30,500
2011-12 ^P	24,866	32,210
2012-13 ^P	21,039	32,210
2013-14 ^P	23,577	32,210
2014-15 ^P	26,843	32,210
2015-16 ^P	30,390	42,389
2016-17 ^P	39,560	42,389

