

London Housing Directors' Group

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Sent by email

Dear Mayor Sadiq Khan

London Housing Directors' Group response to the draft London Plan

Thank you for the opportunity to respond to the consultation on the draft London Plan, which I am replying to as Chair of the London Housing Directors' Group.

The London Housing Directors' Group is a professional network comprised of senior housing professionals from across London's 32 boroughs and the City of London. Collectively, we are responsible for managing more than 397,000 local authority homes across the capital and delivering the boroughs' statutory and strategic housing objectives.

The draft Plan comes at a critical time for housing in London, with a severe shortage across all tenures, affordability pressures challenging councils' ability to manage homelessness and more than 54,000 households currently living in temporary accommodation. Councils and local authority housing teams are at the forefront of addressing London's housing crisis, and we are keen to be collaboratively engaged in developing and delivering the Mayor's London Plan.

The key points included in the London Housing Directors' Group response are summarised as follows, with further analysis below:

- Housing Directors are unconvinced that the new housing targets included in the draft London Plan are achievable without a more wholesale reform of the sector than is currently proposed in either the draft Plan, or is possible with the powers available to the Mayor.
- Housing Directors are generally supportive of the strategic aim to deliver 50 per cent affordable housing and the new fast-track planning application approach (with no viability assessments required) for development schemes that provide 35 per cent or more affordable housing in prescribed tenures on private land and 50 per cent or more on public land. However, with the Strategic Housing Market Assessment (SMHA) identifying that 47 per cent of new housing should be developed in low cost rental tenures to meet housing need in London, this mechanism alone will not provide sufficient affordable housing to meet need.
- The reliance on small sites to deliver the Mayor's new housing targets, and the associated policies being introduced to enable this, raise concerns regarding the possibility of over-densification and the loss of local control, particularly in outer-London boroughs. Given the very high targets for small sites development in many boroughs, it is concerning that boroughs were not sufficiently consulted on this during the process of undertaking the Strategic Housing Land Availability Assessment (SHLAA). Housing Directors would like to see stronger policies put in place to ensure that these sites generate more affordable housing.
- Housing Directors are concerned that the plan will lead to an under-provision and loss of family sized housing due to the focus on optimisation, conversions and the restrictions on Local Plan targets in regards to the size mix of private and intermediate housing provision.

- Additionally, there are concerns that an overly prescriptive, blanket approach may not allow for sufficient variation according to different housing markets in different areas of London. It may be useful to, for example, allow boroughs to apply the 50 per cent threshold over a suite of sites, which is the approach TfL have taken.

Housing targets (Policy H1 and H15)

The Mayor's objective of meeting housing need in London through raising the pan-London housing target from 42,388 net housing completions per year to 65,000 is welcome in principal. However, to date, London's housing sector has been unable to achieve even the lower target, with London's housing stock increasing by 39,560 net additional dwellings target in 2016/17 (up from 30,390 in 2015/16).¹ However, a significant proportion of these units - 8,757 - were delivered through conversions, including through permitted development rights. This has implications for the types of accommodation that are being delivered in London (permitted development affords boroughs no ability to enforce Local Plan standards, including space standards, and the units are more likely to be smaller units with fewer bedrooms) and also suggests that London's housing sector is incapable of delivering the genuinely new housing that is needed. We believe that without significant national reform to increase land supply and diversify the housebuilding sector, it is unrealistic to expect that changes to policy within the London Plan alone will ensure that this higher target is achieved, and particularly that it delivers the type of high quality housing that is needed. The GLA needs to work together with boroughs, housebuilders, housing associations and Government to ensure that not only is delivery maximised but that supporting infrastructure is also provided.

Policy H15 sets out borough housing targets specifically for the provision of older persons housing. There is likely to be a large increase in the number of older people living in London and Housing Directors agree that it is critical that to ensure that housing is provided which responsive to the varied needs of an aging population. However, there are concerns over whether these targets are achievable in every borough and the provision of housing suitable for older people will need to be monitored throughout the life of the Plan.

Small sites (Policy H2)

New policy sets an expectation that 38 per cent of the overall annual housing target across London (24,573 units) will be delivered on small sites (defined as developments of up to 25 units on sites with an area of up to of 0.25 hectares). The majority of this delivery would take place in suburban areas with 71 per cent of the small sites target being dispersed across outer London boroughs. The small sites policy includes a presumption in favour of development on small sites within 800 meters of a rail station or town centre boundary. This means that proposed developments will be granted planning permission unless their adverse impacts significantly and demonstrably outweigh their benefit. Furthermore, the small site criteria fail to recognise the vast difference in the transport provision from different stations. Some boroughs have few or no tube stations, which provide a much higher frequency of service than the rail network. In boroughs which rely on these, some stations are well served. The TfL overground network is also generally well served. However a significant proportion of suburban rail stations are much more poorly served with many having a train only every half an hour. The proposed policy therefore needs to include a more fine grained and borough specific approach to the 800 meter standard particularly where the PTAL falls below 3.

London Housing Directors are concerned about the number of units expected to be brought forward on small development sites in order to meet the targets outlined in the draft plan. Unlike the collaborative process for establishing larger sites within the SHLAA, boroughs have had limited involvement in these proposals and Housing Directors are concerned that the methodology is based

¹ Ministry of Housing, Communities and Local Government, Live Table 122

solely on modelling (rather than borough-led data input), which could prove to be flawed. The GLA can work collaboratively with boroughs to reconsider the setting of small sites targets based on previous development trends.

When combined with the new presumptions in favour of development and the new requirement to deliver all sites to optimum density, we believe the plan erodes boroughs' ability to control the potential over-densification of housing in their areas. Planning applications for development on small sites are often as contentious and complex as those for larger ones. Significantly increasing development on small sites is therefore likely to further stretch the resources of planning departments.

Given that smaller sites yield far fewer affordable housing units, we would also like to see stronger policies put in place to ensure a social return from development on small sites in the form of affordable housing. We welcome the measures in Policy H2 to achieve affordable housing contributions through smaller sites. However, we believe that this policy should be stronger by requiring that such contributions should usually be through on-site provision, rather than off-site contributions. Without this, the over-reliance on small sites as a means of seeking to achieve the higher pan-London target could frustrate the ambition in the draft plan for a higher number of affordable homes. In addition, we would advise the Mayor to be mindful of the risk that borough Local Plan policies seeking to achieve affordable housing on small sites can be overturned at Examination in Public stage. We are aware of at least one recent example of this occurring.

The level of grant for affordable housing units may need to be higher on small sites as they are typically more expensive to deliver than larger sites. Small sites can be more expensive to develop than larger sites because there are no economies of scale and the abnormal development costs (which can be proportionately higher) are spread over fewer units. The GLA can consider varying the level of grant based on the size of development sites to maximise the delivery of affordable housing

Housing size Mix (Policy H12)

Housing Directors are concerned that the high housing targets and the focus on the conversion of units on small sites will erode the stock of larger family sized units in London. The SHMA identifies that 45 per cent of annual housing need in London is for units that are two bedrooms and above, and that 40 per cent of affordable housing need (for intermediate and low cost rental products) is for units of 2 bedrooms and above. Ensuring that an appropriate mix of housing sizes is delivered across boroughs is also essential in order to achieve mixed and inclusive communities. The London Housing Directors' Group is supportive of the delivery of all unit types, and recognises that the conversion of larger dwellings into smaller units is appropriate in some instances and locations. However, it is important that boroughs and the GLA monitor housing stock, particularly on smaller sites in outer-London boroughs to ensure that there is not a harmful overall impact.

While Policy H12 (Part A) grants planning authorities the ability to judge individual applications against how they meet identified local need, the draft plan prevents boroughs from setting prescriptive dwelling size mix requirement (in terms of number of bedrooms) for market and intermediate homes in their Local Plans. There are concerns that this policy will therefore lead to an increasing amount of one bedroom units being delivered, which will prevent boroughs from delivering larger family housing. The SHMA identifies that 57 per cent of need for market and intermediate homes is for units of 2 bedrooms and above. The wording of the policy may weaken the ability of boroughs to protect and enhance the character of certain neighbourhoods and is likely to lead to smaller units being delivered.

Housing Directors believe that boroughs should be able to set a strategic direction in their Local Plans, based on the evidence produced in local SHMAs to ensure that the provision of homes of different

sizes reflects local circumstances. This is particularly important for local housing and homelessness departments. There is a need to retain and deliver family sized units, and our experience is that the most common need in regards to homeless households is for accommodation of 2 or 3 bedrooms. The plan policies – the focus on conversion and small sites, and the inability to write bedroom requirements into Local Plans – will make it more difficult for boroughs to meet the needs of homeless households.

Optimising Housing Density (Policy D6)

Policy in this plan dictates that much of the increase in development is to be focused on smaller sites in outer-London Boroughs within 800m of a rail connection or a town centre. Policy D1 states that development proposals must make the most efficient use of land and be developed at the optimum density. The optimum density of a development should result from a design-led approach to determine the capacity of the site. There is often a need to increase density in London to meet new housing targets; however the weight of local policy to protect and enhance neighbourhoods will be eroded by this. Boroughs are also concerned that optimising housing density may lead to difficulties in securing family sized units on development sites.

It is important that the GLA release supplementary planning guidance on design to provide further information on these policies and further outline the process of design-led development in practice.

There are also concerns around the infrastructure element of this policy. The policy states that minor developments will only have incremental impacts on local infrastructure that should be addressed by borough infrastructure delivery plans and that boroughs should not normally refuse permission for smaller development ‘on the grounds of infrastructure capacity’. While small sites development may have an incremental impact on one off sites, the cumulative impact of many small developments will have a substantial impact on infrastructure. Developments of 10-25 units also have an impact on local infrastructure such as the need to plan for school places and healthcare facilities. In areas where it can be shown that the cumulative impact on small developments is having a harmful impact on local infrastructure capacity, boroughs should have the ability to refuse planning permission or work with the GLA to find ways to ensure that the necessary infrastructure is provided.

Affordable housing delivery (Policy H5, H7 and H10)

Housing Directors are supportive of the ambitious strategic target for 50 per cent of new housing delivered across London to be affordable. There is also broad support for the threshold approach to providing affordable housing (set out in the recent affordable housing and viability SPG) as the key delivery mechanism for affordable housing. However, The SHMA identifies that to meet housing need in London, 65 per cent of the housing delivered in London needs to be in affordable tenures and that 47 per cent of housing should be low cost rented. There is currently a disconnect between the types of affordable housing that are required and the tenures of the affordable units that are being delivered. The GLA and boroughs need to jointly consider how a greater amount of social and low cost rented units can be delivered.

While a strong strategic policy in regards to supporting affordable housing provision is important, Directors believe there could be scope to better maximise the provision of affordable housing across public sector land. The requirement to deliver 50 per cent affordable housing on individual sites may be restrictive and hinder development sites within the public sector pipeline. A portfolio approach to delivery, which would focus on delivering the 50 per cent affordable housing contribution is delivered across a range of sites, could be preferable. The policy can be clarified to make clear whether a 50 per cent affordable housing threshold would apply where sites are transferred and developed by borough-owned housing companies and on joint venture sites.

The policy needs to clarify whether a 50 per cent target for affordable housing would apply to estate regeneration schemes, or whether estate regeneration would follow the less demanding targets set out in policy H10 (which states that where the loss of existing affordable housing is proposed this should generally involve uplift in affordable housing provision referring to demolition and replacement). The policy further indicates that the delivery of additional affordable housing should be maximised.

When considering individual estate regeneration schemes or larger regeneration programmes on public land, it may not be possible in each case to deliver 50 per cent affordable housing. What can be achieved will depend on the tenure of existing homes on the site, and whether they need to be replaced or refurbished. The GLA should clarify this position in the published plan and link the Plan to guidance in the Good Practice Guide to estate regeneration document, currently out for consultation.

Affordable housing tenure (Policy H6)

This policy offers a more prescriptive approach to securing affordable housing tenure than has previously been set out in the London Plan. To achieve the threshold approach to fast-track planning applications, where a 35 per cent threshold of affordable housing is met on site, developers must provide affordable housing in the following tenures: 30 per cent low cost rented housing, 30 per cent shared ownership housing and the remaining 40 per cent of the affordable housing contribution will be of the borough's determination through the Local Plan. Given the SHMA view that 47 per cent of all homes should be low cost rented, it is noteworthy that the policy sets a benchmark for the provision of low cost rented housing that is below what has been identified as needed in London. When the threshold approach is reviewed in 2021, the revised aim should be to set a pathway for achieving the higher proportion of low cost rented housing identified in the SHMA.

It is important that London Living Rent and shared ownership products provided by the Mayor work in collaboration with borough intermediate housing waiting lists. These affordable housing products should be available to households with an income of less than £60,000. However, this eligibility should not detract from borough waiting lists that prioritise households that qualify for intermediate housing.

Shared ownership products also require high incomes in areas of London where house prices are high and may not be suitable in meeting the needs of the majority of households on intermediate housing waiting lists. The Mayor's Supplementary Planning Guidance (SPG) on Affordable Housing and Viability recognises that shared ownership may not be appropriate where capital values of homes exceed £600,000, but this recognition is absent from the new London Plan.

Policy in the plan states that boroughs can set their own eligibility/income cap criteria for shared ownership products, but goes on to say that these should be released to the London-wide eligibility criteria after a 3-month period, and should not apply to resales and relets. This policy is prescriptive, and boroughs could be given flexibility to set caps and criteria for affordable housing and that pan London policy should only be applied where GLA funding for affordable housing is provided.

Fire Safety (Policy D11)

It is welcome that Policy D11 will require all major developments to be submitted with a Fire Statement (an independent fire strategy produced by a suitably qualified assessor). Fire safety is of paramount importance to boroughs and this policy is very welcome. However, the GLA needs to clarify and define the distinct roles of planning and of building control, and the relationship between them to best enhance public safety. Assessing fire safety will be a new role for development control officers and they may not have the correct expertise. Therefore, the GLA could also fund training for borough officers in order for them to comprehend and assess the quality of fire statements that are submitted with major planning applications.

Meanwhile use (Policy H4)

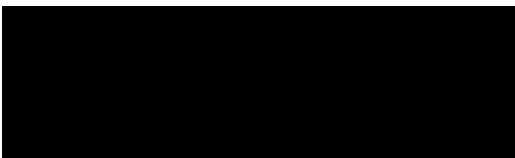
Meanwhile use sites can significantly increase the delivery of housing in the short- to medium-term (before the permanent development of a site) and it is welcome that the draft Plan recognises this and encourages development.

The London Housing Directors' Group agrees that meanwhile sites can be particularly suitable for precision manufactured development and modular housing, especially for use in affordable tenures. This could ensure the utilisation of sites that would otherwise remain dormant while they await their permanent use, either (for example) because they are earmarked for future uses such as transport infrastructure or because of phased build out timetables for permanent developments. The London Plan needs to recognise the impermanent nature of such developments and the greater financial risks they involve. Planning policies that would normally be applied to traditional permanent developments may make such development unviable. It would therefore be helpful if the new plan could give greater flexibility for such sites in regards to provisions related to issues such as accessibility. From our experience, the provision of facilities such as lift cores can dramatically increase the costs of these schemes. While we believe accessibility requirements should be important on such schemes, it would be helpful if the requirement that 10 per cent of units be accessible could be delivered on the ground floor.

A key barrier that prevents the delivery of modular housing on meanwhile use sites is its novelty within the planning system. The GLA and boroughs can work together to provide best practice planning guidance for modular developments on meanwhile use sites. This guidance could focus on ensuring that the product granted temporary planning permission is policy compliant, of a high quality and appropriate for its location. The temporary permission or the meanwhile use itself must also not act as a barrier for the permanent development of the site and returning the land to the original purpose.

If you have any questions, or would like further clarification on any of the points raised in this response, please contact Alex Sewell by emailing alex.sewell@londoncouncils.gov.uk or by phoning 020 7934 9572.

Yours sincerely



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