

# pocket living

15 February 2018

Sadiq Khan  
Mayor of London  
New London Plan  
GLA City Hall  
Post Point 18, FREEPOST RTJC-XBZZ-GJKZ  
London SE1 2AA

By email to [londonplan@london.gov.uk](mailto:londonplan@london.gov.uk)

Dear Sadiq,

## Draft New London Plan – Initial thoughts from Pocket Living

Firstly, thank you for your kind letter on my OBE and acknowledging the contribution Pocket Living has made to affordable housing in London; I was really chuffed to receive it. I was also delighted by your press release earlier this week about our Croydon scheme recognising Pocket's ability to deliver genuinely affordable homes.

I wanted to send you a short note to outline Pocket Living's initial thoughts on the Draft New London Plan. We will of course submit a formal response to the consultation, but I wanted to make you aware of our support and suggest some areas of concern that could inhibit your plans.

Overall the Draft New London Plan (the Plan) is an excellent document which sets ambitious targets to significantly increase housing delivery and in particular affordable housing. Pocket has a long history of delivering homes for Londoners in over half of London's boroughs and we have become an acknowledged part of the affordable housing offer in the Capital. With the help of the £25 million you invested in Pocket Living last Summer we will start on 1,059 genuinely affordable homes for Londoners who are unable to access mainstream affordable housing and are priced out of the open market.

Pocket strongly welcomes your target of 66,000 new homes per annum and your focus on a greater proportion of affordable homes and on smaller sites. I am concerned, however, that some of the drafting may inhibit the very growth in affordable housing which the plan seeks to gain. The two key areas of concern for Pocket are the rules around Fast Track qualification and the role of homes for single person households.

### Fast Track qualification

Although we welcome a fast track route for qualifying schemes with high levels of affordable housing, there is a lack of clarity over the way it is proposed to work; particularly for schemes between 35% and 75% affordable housing. At a recent GLA event with London's Housing Associations, some of the assembled GLA partners (including Pocket) expressed concern about the very detailed breakdown of tenure mix required to qualify. The concern was that from a commercial perspective this route will be unviable to most schemes since projects with even high proportions of genuinely affordable housing have limited flexibility on the tenure mix. Whilst your plan supports the possibility of having principally affordable schemes of a single tenure, these schemes would not be able to qualify for Fast Track if the borough were not to agree with the tenure mix and, therefore, would have to go through lengthy reviews with GLA and Borough planners.

We welcome the proposal within 4.7.13 that all schemes of over 75% affordable (of whatever tenure of affordable housing) will qualify for fast track. However, this does still require explicit Borough support to the proposed mix. It is a concern that this may appear subservient to Policy H7 i.e. we may end up seeing a pick and mix approach to what qualifies. This is a source of particular concern

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to Pocket given our corporate focus on the intermediate market and our aspiration to always try and achieve 75% or higher of Pocket intermediate housing on sites. It may also act as a deterrent to new market entrants with innovative forms of affordable housing like Pocket's.

## Housing single person households

The Plan and the SHMAA identifies a significant need for the provision of one-person homes. However, Pocket is very concerned that the Plan may inadvertently curtail the ability of such homes being built because the wording in H12 (B) explicitly discourages developments consisting mainly of such homes. Furthermore, this new wording is already now being referenced by London Borough planning departments and is raising concerns for future Pocket developments. To date, Pocket has housed hundreds of first time buyers in one-bedroom homes. These are often in developments that are exclusively made up of our standard one-bedroom, one-person Pocket affordable flat. Indeed, nearly all of the 1,059 homes which we have agreed with the GLA to start by 2021 will be one-bedroom homes; so you can imagine our concern at the wording in H12 (B). Moreover, the policy doesn't seem consistent with H12 (C) which says that an LPA should not be prescriptive about dwelling size mix requirements (in terms of bedroom numbers) and could cause confusion between the boroughs and the GLA. If H12(B) is not deleted (or at least clarified) then Pocket's ability to deliver its much-needed homes will be significantly undermined which would seem perverse given the successes we have had in housing singles and couples to date.

There are two other opportunities that Pocket feels are being missed by the plan which would help the delivery of the homes that so many Londoners need. The first is the introduction of a two bedroom two person Space Standard (c. 55sqm) to meet the needs of sharers and separated households (a fast growing group according to ONS). Pocket sees very strong demand amongst Londoners for a smaller two bedroom home that can be afforded by two young people buying together or a single person who needs a second bedroom intermittently (for a child, grandchild or carer). Creating this new Space Standard would allow Pocket to price in an even wider cohort who are in need. The previous London Plan allowed for exceptional design to allow alternative space standard approaches, but this policy has been removed to the long-term detriment, in our view, of innovation.

The second is to remove the 25 unit limit on your small sites policy (which in general we support). In Pocket's experience, small sites (under 0.25 ha) can deliver larger numbers of homes and a 25 unit limit will incentivize developers to deliver unit numbers well beneath the density requirements you want to see. This will cause these small sites to be used-up for the delivery of single numbers of larger homes rather than, for example, a typical Pocket scheme (on a small site below 0.25ha) which could be c.50 homes.

Your Draft Plan is an impressive and exciting piece of work which sets out an ambitious trajectory for London. It is vital that it succeeds for London to continue to prosper. I'm confident that it will do this, but it will require some finessing to ensure innovative solutions to the housing crisis, like Pocket's, are encouraged to play their full role. Without your help Pocket could not have grown to the size it has – we can do more to help you and Londoners if the above policy concerns are addressed. My team and I would be more than happy to discuss any of these ideas if you have time to meet.

Kind regards

  
Marc Vlesing  
Co-founder & CEO Pocket Living

CC: James Murray, Deputy Mayor for Housing and Residential Development;  
David Lunts, Executive Director Housing and Land; Jamie Ratcliffe, Assistant Director of Policy, Programme and Services



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**1.0 Introduction**

1.1 Pocket has a long history of delivering homes for Londoners in over half of London's boroughs. We have become an acknowledged part of the genuinely affordable housing offer in the Capital. With the help of the £25 million the Mayor invested in Pocket Living in 2017 we will start on 1,059 genuinely affordable homes for Londoners who are unable to access traditional affordable housing and are priced out of the open market.

1.2 Pocket has made representations on previous versions of the London Plan in order to support the delivery of affordable homes. These representations have been supported by officers of the GLA and by EIP Examiners. The policies of the current London Plan have assisted Pocket in its negotiations with LPAs, demonstrating a pan London approach to the delivery of intermediate housing.

1.3 Overall the Draft New London Plan is an excellent document which sets ambitious targets to significantly increase housing delivery and in particular affordable housing. However, we are concerned that some of the drafting may inhibit the very growth in affordable housing which the plan seeks to gain. The two key areas of concern for Pocket are the rules around Fast Track qualification and the role of homes for single person households.

1.4 The key issues addressed within the representation which are relevant to Pocket are:

- The delivery of new homes

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- Provision of affordable homes
- The Mayor's support for innovative forms of affordable homes
- The Mayor's approach to housing tenure
- The negative impact of restrictions on housing mix related to smaller units
- The inclusion of design standards into the Draft London Plan
- The support for higher density of development



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**2.1 Policy H1 - Increasing Housing Supply:**

2.1.1 Pocket strongly support the Mayor's London wide target of 66,000 new homes per annum. This demonstrates an ambitious target which will help provide a range of housing options. The objective of making effective use of brownfield land to deliver more homes in accessible locations is the best way of delivering more homes.

2.1.2 Pocket are concerned that a reliance on 'small sites' to deliver a significant proportion of the 66,000 homes a year may be optimistic and there is a strong likelihood that such sites will be caught in the planning process for an excessive amount of time. There may also be the potential for outer London boroughs to allow low density developments with limited affordable housing to be developed on these sites as these may be more acceptable locally.

**2.2 Policy H2 - Small Sites.**

2.2.1 This policy supports Pocket's core model for smaller schemes as it offers a presumption in favour of development on schemes below 25 units or 0.25ha. This policy would support Pocket in delivering more homes and represents a potential opportunity for delivering wholly affordable schemes in the outer London Boroughs.

2.2.2 However we consider the threshold of 25 units will result in developers submitting lower density schemes to benefit from the presumption in favour whilst reducing their exposure to providing affordable housing within their schemes. Furthermore we can foresee LPAs supporting lower density schemes as these may be less contentious locally. This will

result in fewer (affordable) homes being delivered, impacting on the Mayor's target of 66,000 homes per annum.

2.2.3 We recommend that the threshold of 25 units be removed from Policy H2 but the size criteria of 0.25ha is retained, as the threshold to define what constitutes a small site. Table 4.2 has a target for delivery of 24,573 units per year on small sites. If this objective is to be met then approximately 1,000 small sites delivering 25 homes each would need to be found. In Pocket's experience, while there are a significant number of smaller sites which could be brought forwards, bringing 1,000 forward will be a challenge. However, small sites (under 0.25 ha) can deliver larger numbers of homes than this and a 25 unit limit will incentivise developers to deliver unit numbers well beneath the density requirements the Mayor wants to see. We feel that the opportunity offered by small sites could be missed as they are used-up for the delivery of single numbers of larger homes rather than, for example, a typical Pocket scheme (on a small site below 0.25ha) which could be c.50 homes. Revising this target will allow delivery of higher density schemes which will maximise the use of brownfield land and for which there will be a presumption in favour of development.

2.2.4 The Plan could offer a presumption in favour of development for smaller sites with high PTAL ratings. This would be consistent with H1 which calls for high density development nearer transport hubs.

## **3.0 Affordable Housing Policies**

### **3.1 Policy H5 Delivering Affordable Housing**

3.1.1 There is strong support for the Mayor's strategic target for 50% affordable housing which reflects Pocket's own ethos to provide more affordable homes for Londoners. Pocket aim to maximise the delivery of affordable housing and deliver well in excess of 50% affordable homes on our sites (particularly on public land). The Mayor should (and has) taken the lead on releasing public land especially to developers who will provide the highest provision of affordable housing.

3.1.2 Where public land is released for housing by public bodies, there should be a presumption in favour of permission for schemes which deliver significantly more than 50% affordable housing. The use of Permission in Principle and Brownfield Registers will assist in this regard and the presumption in favour could be built into the scheduling of sites.

3.1.3 On SIL and other industrial land where a scheme can deliver a substantially increased provision of affordable housing (above 75%) the need for co-location of industrial uses should be waived to encourage the delivery of affordable housing.

### **3.2 Policy H6 – Threshold Approach to Affordable Housing**

3.2.1 Overall Pocket is supportive of the objectives of Policy H6 as it encourages the delivery of more affordable homes across London and rigorously challenges private developers. Too often developers have hidden behind complex viability assessments and provided low amounts

of affordable homes on site or sought to provide off site contributions in lieu of on-site provision. The Mayor's approach, if applied across London, would bring consistency and rigour to the methodology and ultimately deliver more affordable homes.

3.2.2 Pocket's strong view on Policy H6 is that the policy should, in conjunction with Policy H7, be applied flexibly to schemes which are delivering a significant provision of affordable housing, well in excess of the Mayor's strategic target of 50%.

3.2.3 Pocket considers that schemes which are delivering over 75% affordable housing (as defined in the London Plan and NPPF) should be considered under the Fast Track route notwithstanding what tenure is within the scheme (see paragraph 4.7.13 of Policy H7). This will encourage the delivery of more affordable homes for Londoners, especially those who earn too much to qualify for affordable or social rented homes but are unable to purchase in the open market.

### **3.3 Policy H7 – Affordable Housing Tenure**

3.3.1 There is broad support for the need to provide a range of tenures within boroughs and within development schemes. The proposed formula will allow boroughs to be more flexible in the approach to individual development schemes.

3.3.2 Whilst the focus on LAR, LLR and LSO as the principal tenures is understood, there needs to be stronger support for other forms of intermediate housing which meet the definition of affordable housing in the NPPF. Pocket's approach to the delivery of intermediate housing is



well known and Pocket has delivered over 500 homes in 12 London boroughs over the last decade.

3.3.3 The wording in Para 4.7.7 suggests other forms of affordable housing may be acceptable as long as they meet the definition of genuinely affordable. This is applying a second test to the definition of affordable housing which applies further restrictions through the eligibility criteria set out in the AMR. Pocket considers the wording should be positive and state that other forms of affordable housing will be acceptable unless they do not meet the tests set out in the NPPF. It is important that the policies of the London Plan allow for a range of household income thresholds to be addressed. Pocket and other forms of intermediate housing are 'genuinely affordable' (as confirmed by the Mayor himself) and meet the definition set out in the London Plan. They are tied to affordability in terms of eligibility and perpetuity through Section 106 Agreements. The Mayor should be more definitive in his support for a wider range of affordable tenures.

3.3.4 There is support for the Mayor's insistence that local income caps should only apply for three months as noted in para 4.7.10. A number of boroughs across London seek to apply more onerous local restrictions for longer periods which can be problematic as buyers struggle to secure a mortgage if restrictions extend beyond 24 weeks on resale. Pocket consider the approach should be that the Mayor's income threshold (as set out in the AMR) is the default position and that boroughs only adopt local housing income restrictions for 3 months in exceptional circumstances and where this can be fully justified through detailed evidence.

- 3.3.5 The objective of Para 4.7.13 is strongly supported as it provides innovative developers like Pocket the opportunity to benefit from the Fast Track Route by delivering wholly intermediate homes as long as the affordable element comprises at least 75% of them. Pocket's schemes are almost always over 75% affordable and Pocket always seeks to maximise the number of affordable homes within its schemes to assist Londoners to secure their first homes. However, on a number of sites, Council policies seek a range of tenures/unit mix and based on the wording of the policy, a number of boroughs are likely to require that Pocket's schemes follow the Viability Tested Route even when providing 100% affordable homes.
- 3.3.6 Given the importance of delivering the maximum provision of affordable homes we consider the Mayor should add wording to Policy H7 that where schemes deliver 75% affordable housing in line with the Draft London Plan these should be treated as Fast Track notwithstanding compliance with other policies of the borough. This wording will encourage the provision of the maximum provision of affordable homes.
- 3.3.7 Furthermore given the importance of the percentage figure in paragraph 4.7.13, Pocket considers the wording related to 75% should be added to the main policy text in Policy H7 and not provided as accompanying text. This wording of the policy should make clear that the default position should be the Fast Track Route for schemes providing the required percentage of affordable housing notwithstanding tenure or mix.

## **4.0 Design Standards**

### **4.1 Policy H12 – Housing Size Mix**

4.1.1 The wording of Policy H12 (A) is supported as it supports the provision of one and two bed units in central and urban locations and notes the role small units play in freeing up family houses.

4.1.2 Pocket is deeply concerned with the wording of Policy H12 (B) and its presumption against schemes consisting mainly of one-person units and/or one bedroom units.

4.1.3 Pocket's innovative model for the provision of intermediate housing for London is primarily a 38sqm one bed-one person unit. Pocket has successfully redeveloped a large number of sites across London and delivered hundreds of their signature one bedroom one person homes. Pocket is seen as an exemplary provider of affordable homes not just in London but worldwide. Pocket's homes are genuinely affordable and meet the definition of affordable housing and intermediate housing in the NPPF and London Plan and have provided the opportunity for hundreds of Londoners to move from expensive private rental accommodation to low cost home ownership. Pocket's pipeline of new schemes will see it delivering thousands of homes across London in the next five years. These homes will help the Mayor meet his housing targets for both housing and affordable housing in London. Indeed, nearly all of the 1,059 homes which we have agreed with the GLA to start by 2021 will be one-bedroom homes.

- 4.1.4 The reference to lack of flexibility in smaller units is both ill-advised and does not reflect either the quality of what Pocket has achieved or the purpose of one bed one person homes which is to maximise the opportunities of home ownership. Once onto the housing ladder, Londoners have greater choice of housing.
- 4.1.5 It is considered that the policy wording in (B) is unnecessary and will have a significant detrimental impact on the delivery of homes across London. Furthermore it contradicts the wording of H12 (C) which states that LPA's should not set prescriptive dwelling size mix requirements (in terms of number of bedrooms) for market and intermediate homes.
- 4.1.6 Pocket strongly objects to the proposed wording (where it relates to genuinely affordable and space standard compliant self-contained homes) and requests the Mayor delete Policy H12 (B) or clarify the purpose of the wording in the policy and paragraph 4.12.5 to reference non-self-contained and non-space standard compliant schemes only.

## **4.2 Policy D4 - Housing Quality and Standards**

- 4.2.1 Policy D4 relates to housing quality and standards. There is far greater prescription in the draft London Plan than previous London Plans with more of the design standards previously contained in supplementary guidance in the Mayor's Housing SPG (both 2012 and 2016) now incorporated into the London Plan.

- 4.2.2 **Pocket Response:** Policy D4 is considered to be too detailed and specific for a Spatial Strategy and the wording too prescriptive. The policy contains wording which seeks minimum sizes for room widths, headroom in units including within sloping roofs, private amenity space and internal storage space. It is considered that this is too prescriptive for a Spatial Strategy which is providing a policy framework for London.
- 4.2.3 A previous iteration of the London Plan was criticised by an EIP Examiner at draft stage for including matters related to design standards which would be more appropriate in an SPG and which reflect the National Technical Standards and Optional Requirements for Part M Building Regulations. The current draft is therefore open to potential challenge during EIP on a similar basis.
- 4.2.4 As for previous iterations of the London Plan, the detailed guidance on the application of design standards should be placed into supplementary guidance which sits alongside/beneath the London Plan. The policy should be simplified by removal of all of the standards and replacement with a cross reference to the relevant section and detailed guidance of the adopted Housing SPG 2016 (Section 2) or any future replacement document. Reference should also be made to the National Technical Standards.
- 4.2.5 The reference to studios in Table 3.1 should be removed and the text should only refer to one bed one person units. Pocket's standard one bedroom model provides a separate bedroom with space for a double bed (a king size can easily be accommodated), a wardrobe, desk and bedside table. We believe one bedroom units should be able to accommodate space for this furniture.

4.2.6 Pocket strongly believe that the Plan should make reference to the delivery of other forms of units, specifically two bed-two person homes of around 55sqm. These units would meet the needs of sharers and separated households (a fast growing group according to ONS). Pocket sees very strong demand amongst Londoners for a smaller two bedroom home that can be afforded by two young people buying together or a single person who needs a second bedroom intermittently (for a child, grandchild or carer). Creating this new Space Standard would allow Pocket to price in an even wider group of people who are in need.

4.2.7 The previous London Plan allowed for exceptional design to allow alternative space standard approaches, but this policy has been removed to the long-term detriment, in our view, of innovation.

### **4.3 Policy D5 – Accessible Housing**

4.3.1 Policy D5 is welcomed in giving clear guidance that intermediate housing should provide adaptable homes rather than provide accessible homes which have very limited demand.

4.3.2 Pocket however considers that there needs to be flexibility with regard the number of wheelchair units (under M4 (3)) that are provided in development schemes where other benefits are being secured. For example on a scheme where a higher proportion of affordable units is being provided (significantly above 50%) and the specific tenure does not have a significant requirement for wheelchair homes, Councils should have flexibility to waive the need for 10% of units to be wheelchair units. Pocket's experience is that only one of its purchasers



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has required a wheelchair adaptable flat out of over 500 purchasers to date. This is due to the challenge of finding registered disabled individuals that wish to live alone and are also financially independent enough to buy a home outright with a conventional mortgage.

4.3.3 The policy should be adapted to refer to flexibility on wheelchair provision where a Council accepts the developer's case for need.

**4.4 Policy D6 – Optimising Housing Density**

4.4.1 Policy D6 is welcomed and supports the approach Pocket has taken across London in making effective use of urban sites to deliver more affordable homes.

## **5.0 Additional Matters**

### **5.1 New Methods of Construction**

- 5.1.1 Additional wording should be placed through the Draft London Plan to support the use of modular construction on major schemes. Pocket has been at the forefront of the technological change which is taking place throughout the development industry. Using modular construction is faster, more sustainable and less disruptive. It can reduce the movements of large vehicles to construction sites throughout London benefitting Londoners by improving air quality. The London Plan should encourage the use of modular construction by offering benefits to developers to utilise this method of construction.
- 5.1.2 One possible 'carrot' should be an allowance that the use of modular construction would allow non compliance with certain design standards within the scheme and/or allowance to provide a bespoke approach to housing tenure. By providing incentives to developers to utilise modular construction will have major benefits across London and these benefits balance non-compliance with other policy requirements such as housing mix.
- 5.1.3 Where modular construction is used, Council's should waive some or all of the employment obligations during construction, which are often used to provide local construction and training opportunities. Modular construction takes place in factories in other parts of the UK and requires specialised construction workers and engineers. Many of the lower skilled and apprentice jobs that could be created are already provided in the factory location and so contractors should not be made



to also provide them on site. As the benefits are significant in terms of reducing the use of large vehicles and faster construction times, it is considered that obligations related to employment during construction are not necessary.

5.1.4 A further mechanism that could be used would be differential CIL charges both for Mayoral CIL and Borough CIL for the use of modular construction. Pocket would wish to explore this in greater depth with the Mayor and his team.

## **5.2 CIL and Discretionary Social Housing Relief**

5.2.1 Pocket would wish to see reference in the Draft London Plan (Policies H5 to H7) to an encouragement to London boroughs to utilise Discretionary Social Housing Relief (DSHR) to encourage more innovative affordable housing models to come forward. At present due to the wording of the CIL Regulations only social and affordable rented housing, intermediate rented housing and shared ownership housing benefit from mandatory SHR. Boroughs can utilise DSHR but they have to enact it and produce a statement that DSHR is available in a borough. At present only limited boroughs do so. This adds significant cost to developers such as Pocket providing other forms of genuinely affordable homes.

5.2.2 Pocket considers the Draft London Plan should include encouragement for London Boroughs to enact DSHR across London so as to encourage more affordable housing developments to happen and to encourage more innovative forms of affordable developers.



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5.2.3 To this end Pocket believes the Mayor should show his encouragement for this by enacting DSHR on Mayoral CIL. This enactment will encourage and incentivise boroughs to do the same.