

MAYOR OF LONDON

London Plan Guidance

Purpose-built Student Accommodation

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London Plan policies

Good Growth objectives:

- GG1 Building Strong and Inclusive Communities
- GG4 Delivering the homes Londoners need GG5 Growing a good community

Housing policies:

- Policy H4 Delivering affordable housing
- Policy H5 Threshold approach to applications
- Policy H15 Purpose-built student accommodation

Economy policies:

- E8 Sector Growth Opportunities and Clusters
- E10 Visitor Accommodation

Plan-making

Authorities and other plan-making groups should use this guidance when reviewing or developing local or neighbourhood Plans, CIL charging schedules, development briefs and guidance. There is no specific plan-making instruction in Policy H15, but it may be relevant to policies setting expectations for particular areas and sites, as well as more general housing policies.

Planning application type and how the London Plan Guidance (LPG) will be applied

The LPG applies to applications where there is a component of purpose-built student accommodation (PBSA) as defined by compliance with Part A(2) and A(3) of Policy H15 (e.g. secured for use by students) to clarify expectations particularly around policy requirements A(1), A(3), A(5) and B.

Who is this guidance for?

The primary audience is Planning Authorities and others involved in bringing forward proposals for PBSA, to help them best provide for student housing need as part of a wider approach to housing and regeneration. This may include developers, providers, funders and London-based higher education providers (HEPs) with student housing needs.

1 Introduction

1.1 About this document

1.1.1 This document provides guidance to primarily support London Plan Policy H15. The guidance falls in two parts:

- The role of purpose-built student accommodation (PBSA) as part of mixed and inclusive neighbourhoods, and how to optimise its impact on policy objectives (section 2).
- Expectations around nominations agreements, and how these relate to alignment with housing need (section 3).

1.2 What is Purpose-built Student Accommodation (PBSA)?

1.2.1 PBSA is housing dedicated, at least in term time, to full-time students.¹ It may be new-build or converted from other uses.

1.2.2 It typically consists of one or more blocks containing a mixture of studio and multi-bedroom 'cluster flats' (linked to kitchen/dining/living rooms) and additional shared amenities targeted at student lifestyles and support (e.g. for socialising, studying, laundry, health and wellbeing).

1.2.3 Blocks are managed by the provider, which is either a university or a specialist landlord, though bedrooms are let individually, usually for an academic year.

1.2.4 It is distinguished from other Build to Rent and large-scale purpose-built shared living products because of its focus on student needs; links with universities; and provision of specific affordable student accommodation,² as required by the London Plan 2021.

¹ A student is defined in the London Plan as a person following a course in higher education as recognised by the Office for Students.

² Affordable student accommodation is defined as bedrooms let at rates that, for the academic year, are 'equal to or below 55 per cent of the maximum income that a new full-time student studying in London and living away from home could receive from the Government's maintenance loan for living costs for that academic year' (London Plan, 2021).

2 Mixed and inclusive neighbourhoods

2.1 The role of PBSA in achieving housing, economic development and regeneration objectives

Box 1: the role of PBSA in meeting different policy objectives as part of mixed and inclusive neighbourhoods

Housing need is met by PBSA directly through housing students (including those with particular affordability and/or disability-related needs), and indirectly through helping to alleviate pressure on traditional rented homes. It may also have a role in supporting wider housing delivery.

This is a shift compared to the situation in the 2010s. Consumer surveys suggest 'all-inclusive' rents and properties and brand quality are increasingly significant in students' housing choices. This reflects the desire to have more predictable bills, and dedicated study, sleeping and social spaces that are well designed and maintained. PBSA should therefore now have more potential to attract students out of the private rental sector, alleviating demand pressures. However, current indications suggest a lack of PBSA supply relative to growing numbers of students, which is instead contributing to competition and higher rents in the private rental market.

In areas where there is a lot of ongoing housing development, PBSA, along with related housing types (such as Build to Rent) has the potential to provide diversification that can help with market absorption. In this way, it can support delivery of overall housing numbers while meeting an important segment of housing need.

Support for the economy is achieved by the students' spending in their local areas and taking on part time jobs during their studies. Being able to offer accommodation guarantees (e.g. to first-year students) through PBSA is also important to the universities competing for students domestically and internationally, as it contributes to their ongoing viability, growth and world-class status. In turn, many people who study in London stay here after graduating, and go on to be part of London's highly qualified workforce and pool of innovative entrepreneurs. This underpins crucial economic sectors, from research and development to creative industries and professional services.

Regeneration impacts are realised through the new activity and people that are brought to an area: people who live, spend and work in the neighbourhood, adding to what exists currently. Some students may go on to be longer-term residents, particularly where there is an appropriate mix of conventional housing (and workspace) in an area that they can 'graduate'

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into. This can contribute to the creation of new communities where an area has seen population instability, or where the land use is changing to become more residential.

- 2.1.1 London Plan Policy H15 acknowledges the role that PBSA has in meeting housing need, in supporting London's knowledge economy, and in contributing more generally to regeneration – needs established at the London level. Box 1 sets this out in more detail.
- 2.1.2 The policy (at A(1)) seeks to ensure that such local and strategic needs are addressed through development proposals 'provided that at the neighbourhood level, the development contributes to a mixed and inclusive neighbourhood'. In doing so the policy recognises that PBSA has the potential to undermine the important objective (paragraph 4.15.2). This has been a concern for many boroughs seeking to balance the needs of their different communities.
- 2.1.3 In order to demonstrate this contribution and provide assurance, it follows that PBSA should go beyond a negative or neutral impact, and be deliberately located, designed and managed to optimise its impact on neighbourhoods' mixed and inclusive nature. In turn, this would contribute to other Good Growth objectives, notably GG4 (delivering the homes Londoners need). The following sections advise on how this might be achieved.

2.2 Locating in well-connected, well-served areas

- 2.2.1 Creating successful mixed and inclusive neighbourhoods arguably starts with locating new housing in well-connected areas, where people can meet their different needs by comfortably and conveniently walking, wheeling or using public transport to access a range of destinations. However, it should be recognised that sometimes this accessibility is improving as part of wider infrastructure investment and regeneration plans.
- 2.2.2 Part B of the policy encourages the development of PBSA in places that are 'well-connected to local services ... as part of mixed-use regeneration and redevelopment schemes'. Given intended occupants, relevant services may include the facilities provided on university campuses, and campus intensification is encouraged where appropriate. Connections may include bespoke arrangements for student residents to access wider university facilities, such as dedicated buses or pool/hire bikes.
- 2.2.3 London-wide, areas likely to be suitable for PBSA will include:
- the Central Activities Zone (CAZ) and Inner London Opportunity Areas
 - Metropolitan and Major town centres
 - all areas of Public Transport Activity Levels (PTALs) 5 or 6 and Inner-London PTAL 4

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- other town centres with high or medium growth potential (see Annex 1 of the London Plan).
- 2.2.4 Beyond this, other locations that are close or otherwise well connected to university campuses may be suitable. These are likely to be in either of the following:
- PTALs 4 or 3
 - other parts of Outer London Opportunity Areas with improving connectivity and facilities.

2.3 Avoiding over-concentration and spreading the benefits

- 2.3.1 London's universities are disproportionately concentrated in a few areas, including within the CAZ. PBSA has clustered in a similar area, particularly in inner London, diversifying the student accommodation offer from the traditional, university-built PBSA, and private rented homes. Understandably, several boroughs where this is the case have sought to limit further growth in student accommodation. This reflects their concerns about housing mix in their neighbourhoods, given other types of housing need amongst their population.
- 2.3.2 Consideration of PBSA in relation to neighbourhood housing mix can operate in two ways:
- In support of proposals for PBSA that help disperse from traditional concentrations to alternative suitable locations – perhaps adding an element of student housing to existing residential stock that is primarily conventional housing.
 - As a more negative consideration, where there are long-standing or more recent concentrations of student housing relative to conventional housing. This may be spatial (in particular neighbourhoods) or as a proportion of housing delivery, where PBSA may be considered to be 'crowding out' conventional housing schemes. Such dominance may be particularly acute under particular market conditions, and where development sites are limited and would ordinarily be equally attractive for conventional residential use.
- 2.3.3 Ideally, Local Plans should identify where spatial concentration of PBSA or proliferation of PBSA delivery, compared to conventional housing delivery, is impacting the ability to ensure mixed and inclusive neighbourhoods. This could be used to develop spatial policies, or to indicate the significance of neighbourhood or pipeline housing mix in decision-making. Further suggestions are given in Box 2, below.

Box 2: Policies to manage concentration and dominance

- Policies could:
 - limit the number of developments or number of units within a defined area
 - ensure separation between PBSA developments
 - indicate thresholds of concern (i.e. the proportions of student housing relative to conventional housing that would likely be considered harmful, and the reasons for this)
 - focus PBSA in specific places; or positively encourage it as part of areas of mixed-use regeneration, or particular smaller-scale redevelopment opportunities
 - require conventional housing alongside PBSA, recognising the need for both (though see paragraph 2.5.4 and 2.5.5, below, re: housing mix)

- In considering this type of policy, in addition to broader spatial strategy and housing capacity considerations, plan-making bodies should draw on:
 - information about existing and emerging housing mix by area
 - information about cumulative impact of existing PBSA (e.g. on services and infrastructure and council tax revenues)
 - an understanding of local housing delivery issues and the positive or negative role PBSA is playing or could play in the area
 - an understanding of local housing rental markets (including Built to Rent and large-scale purpose-built shared living demand and supply) and pressures that may be alleviated by PBSA.

2.3.4 In the absence of policies, monitoring evidence from planning records, council tax, the Higher Education Statistics Authority³ and ongoing community and stakeholder engagement will be relevant to decision-making where the planning authority has a specific concern. These are also relevant sources of plan-making evidence.

³ Can provide (at a cost) borough data by ward on student resident numbers, and student numbers at local higher education institutions (HEIs)

2.4 Integrating with the neighbourhood

- 2.4.1 Creating mixed and inclusive neighbourhoods is also about ensuring that different land uses and housing types knit together to create successful places that are welcoming and enjoyable by all. These are places that feel cohesive; where people want to live longer-term; and that don't have 'no-go' areas because of concerns about safety, security or physical access. For PBSA this means considering how to contribute to place-making at this scale through the mix of uses, design and management of the accommodation.
- 2.4.2 Incorporating publicly accessible uses (such as shops and services, open space, and community facilities such as gyms and meeting space) within the development is one approach. These uses can help ensure PBSA blocks are not seen as exclusive and/or lacking relevance for the local community. They also help to 'capture' student spending power in a way that can contribute to town-centre vitality and viability. And they can add to the amenity offer for students and present them with employment and volunteering opportunities that can also benefit the community.
- 2.4.3 Other employment space, such as offices, shared workspace or workshops (including affordable workspace), will also help with this principle. These may be more suitable mixed-use elements where the location or orientation of the space is likely to mean less footfall to sustain shops and services. As well as being mixed and inclusive neighbourhood considerations, these mixed-use elements are again relevant to part B of Policy H15. Affordable workspace may be particularly appropriate in areas of changing land use or regeneration.
- 2.4.4 Another approach is to incorporate satellite university teaching, research or library provision. This can help address concerns that decentralised accommodation makes places 'dormitories' without the wider economic benefit of university employment and related economic activity. Contributing to the range of opportunities available locally could also help to underpin successful mixed and inclusive neighbourhoods by helping to attract more people to live and/or stay in an area.
- 2.4.5 Such uses and other communal spaces for the residents designed with this in mind (e.g. avoiding blank façades) can also help activate ground floors and adjoining spaces. Ensuring more comings and goings, and more lines of sight, can help discourage criminal and antisocial behaviour. This is important to help make surrounding streets and public space feel safer for all, including the students themselves. The temporary use of PBSA outside of university term-time, such as for other visitor accommodation, is likewise encouraged partly for this reason, to ensure such blocks remain in active use across the year.
- 2.4.6 Collaboration with other landowners, residents, businesses and statutory bodies with responsibilities and interests beyond the site is also encouraged, to help secure other aspects of neighbourhood integration. This type of work can include:

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- wider coordination of uses, lighting and key movement routes to support viability, safety and security (masterplans may have a role here)
 - joint funding and commissioning of mutually beneficial services and amenities such as night-time street wardens, safe havens, transport services, (e.g. bike hire, demand responsive transit) and pocket parks.
- 2.4.7 Neighbourhood experience and desire to stay in an area can also be affected by matters such as noise, refuse disposal, deliveries and (car and bike/e-scooter) parking arising from the design and management of developments. Some of these issues, particularly noise, may be particularly associated with student living. Design should anticipate and address potential concerns, and management plans should also be considered. Making management plans publicly available and securing them through the planning permission is encouraged. This enables local communities and student residents to hold building managers to account. Construction management plans have an equivalent role during build-out, and are also encouraged for this reason.

2.5 Housing mix: affordable student and accessible accommodation

- 2.5.1 Mixed and inclusive neighbourhoods start at the building scale. This requires consideration of affordability, as well as wheelchair accessibility and other disability-related needs that vary within the student population.

Affordable student accommodation (ASA)

- 2.5.2 Policy H15 is clear that boroughs should seek to ensure that the maximum level of accommodation is secured as affordable student accommodation (ASA). It should be noted that working to keep the cost of other student accommodation more affordable for all is also highlighted as a consideration (see London Plan paragraph 4.15.7).
- 2.5.3 ASA can be secured through the fast-track route and the provision of at least 35 per cent or 50 per cent affordable student accommodation. The higher target is applicable to land that is publicly owned, or industrial land that is appropriate for residential uses.⁴ If the fast-track route requirement is not met, ASA should be scrutinised through viability testing in line with Policy H5.
- 2.5.4 London Plan supporting text, paragraph 4.15.14, clarifies that C3 affordable housing should not be required where part A of the policy has been complied with. While PBSA need should be addressed in line with policy H15, the inclusion of conventional (C3) housing may nonetheless be acceptable and even desirable on larger sites as part of the pursuit of mixed and inclusive neighbourhood objectives. This may be particularly relevant where C3 activity including delivery is relatively poor. In this instance, when considering the

⁴ In accordance with Policy E7

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balance of C3 affordable and ASA, ASA should be prioritised, given that this particular need continues to rise and will only be provided through this mechanism. It is also noted that compared to C3 affordable, affordable student accommodation is disadvantaged in viability terms by not being eligible for CIL relief.

- 2.5.5 This is also relevant to CIL charging schedules. When revising CIL charging schedules boroughs should take account of the ASA requirement in the London Plan. Boroughs may wish to consider the viability of the ASA and apply nil or reduced rates compared to market PBSA, based on the outcome of the viability assessment, where affordable student accommodation rents are secured⁵.
- 2.5.6 It is expected that the ASA is distributed across the development with no difference in quality or access to services pointing to the accommodation being affordable (see London Plan paragraph 4.15.10). However, universities note that the preference is for this to be mostly (but not all) within cluster flats. This reflects the fact that such accommodation tends to be allocated predominantly to first-year students, who typically benefit from living with flatmates.
- 2.5.7 In this case, the ASA may not be evenly or proportionately dispersed across all room types and sizes. This may mean that accurate measurement should be based on the percentage of floorspace, rather than percentage of habitable rooms.⁶ In doing so it is reasonable to include the kitchen/living space within the net internal area of the cluster rooms, rather than just the area behind each individual bedroom door.

Accessible rooms and other provision for disabled students

Box 3: Accessible Student Accommodation Standards

To ensure sufficient choice for people who require an accessible bedroom, development proposals for serviced accommodation should provide either of the following:

1. 10 per cent of new bedrooms to be wheelchair-accessible in accordance with Figure 52 incorporating either Figure 30 or 33 of British Standard BS8300- 2:2018 Design of an accessible and inclusive built environment. Buildings - Code of practice;

Or

2. 15 per cent of new bedrooms to be accessible rooms in accordance with the requirements of 19.2.1.2 of British Standard BS8300-2:2018 Design of an accessible and inclusive built environment. Buildings - Code of practice

⁵ Saved text from the Housing SPG, 2016 (para 3.9.17)

⁶ As noted in the supporting text to policy H5 at para 4.5.3 and the Affordable Housing LPG.

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- 2.5.8 Accessible room provision is also expected in line with Policy E10(H) reproduced in Box 3 above. Although this refers to serviced accommodation, the Building Regulations⁷ make clear that in respect of space requirements and internal facilities, PBSA should be treated as hotel/motel accommodation because it is non-self contained. It is also relevant that many PBSA blocks will be let out as visitor accommodation during university holiday periods.
- 2.5.9 Rooms built to these standards (as set out in Box 3) should again be distributed across different accommodation types, including some in cluster flats. Consideration should also be given to how students' live-in carers could be accommodated where needed. This is important to offer equivalent opportunities and choice to disabled students requiring such adaptations as non-disabled students. Ensuring such equality of opportunity also means that all internal and external communal areas should be accessible to disabled students and visitors, including through suitable toilet provision. Disabled students may also be in need of ASA, and this intersection of needs should also be accounted for in the housing mix.
- 2.5.10 Providers sometimes query the need for this level of accessible and adaptable room provision relative to demand. However, PBSA by definition should be more readily able to accommodate design modifications to meet access needs than accommodation in the wider private rental sector, particularly that in older buildings. Moreover, historic under-provision has likely suppressed demand from disabled students, and this must be addressed to improve the inclusivity of London. That is, students with mobility impairments and other related needs are perhaps more likely to continue living at home if they cannot be sure of sufficient accessible and adapted accommodation for the duration of their course. This means missing out on opportunities presented by going to university elsewhere and living more independently.
- 2.5.11 Building design should have regard to the needs of people with a range of disabilities and impairments, not just those requiring wheelchair access. This could include but is not limited to other mobility, sensory, dexterity and learning difficulties, as well as needs arising from particular mental health conditions. Design responses should consider the use of colour, light, sound proofing and way-finding; and the ease of opening doors and windows. Wider wellbeing considerations are covered further below.

2.6 Housing and place-making for inclusive wellbeing

- 2.6.1 Another feature of an inclusive neighbourhood is avoiding students in PBSA having a lower quality of accommodation compared to the wider neighbourhood population. This consideration is also relevant to the requirements of Policy 15 criterion A(5), which refers to 'adequate' and 'functional' living space and layout.

⁷ Building Regulations (2010) Approved Document M Access to and use of buildings, volume 2: 'Purpose built student living accommodation, including that in the form of flats as defined in regulation 2(1), should be treated as hotel/motel accommodation in respect of space requirements and internal facilities.'

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- 2.6.2 As well as sensible layouts of different bedroom-based amenities there are some wider considerations. These include ensuring daylight and natural ventilation to C3 standards, achieving dual-aspect living rooms or at least a reasonable exterior outlook.
- 2.6.3 It also means design and space in the building as a whole providing for different student needs – such as study, relaxation, socialising, retreat, privacy, exercise, support and, in some cases, worship. Bedroom sizes should recognise that student bedspaces, even in cluster flats, are also spaces for study, storage and private socialising. Design flexibility of individual rooms and spaces will be important, but usability should be demonstrated, and crowding and conflict avoided. User feedback from existing accommodation and more general youth engagement may provide valuable input on these points.
- 2.6.4 As part of this quality, both internal and external communal amenity space (only accessible to students, additional to living rooms), commensurate with the number of students, should be provided. In addition to contributing to policy criteria A(5), this may help reduce the likelihood of students dominating other public spaces in the neighbourhood – which can make other people feel less comfortable in such spaces. This can then impact the mixed and inclusive nature of a neighbourhood.
- 2.6.5 In general, the higher the proportion of studios, the higher the amount of communal amenity space that should be provided to offset limited studio sizes. The distribution of such space should consider the balance between the need to avoid it being dominated by students from any one part of the building; ease of access; and the potential for larger/more concentrated spaces to feel intimidating and overwhelming.

3 Aligning with need – nominations agreements

3.1 Background and purpose

- 3.1.1 Policy H15 is also concerned with aligning PBSA provision with need, need which is established through the wider housing evidence base. The policy intent is not to secure provision for every student needing accommodation in London. Rather, it is to secure a proportion of this need, recognising that PBSA is a specialist form of provision that is not as flexible as conventional (C3) accommodation. It is acknowledged that some conventional housing will also continue to accommodate students.
- 3.1.2 This means that, in the extreme, ‘over-provision’ of PBSA could displace accommodation that can meet a wider range of needs or other important uses, such as employment space and infrastructure. Given that trends in student numbers and the appetite for PBSA have been known to vary, it is not unreasonable to try to manage this risk. This can be due to, for instance, fluctuations in entry requirements for international students and wider university

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- funding availability; the relative cost of such accommodation; and viability challenges in the wider housing sector.
- 3.1.3 The strategic target in paragraph 4.15.2 in the supporting text to Policy H15 provides a monitoring benchmark that can inform decision making. Beyond this, the policy's key mechanism to secure this proportionate alignment with need is the requirement to secure the majority of the PBSA including the affordable student accommodation through a nominations agreement.
- 3.1.4 These agreements establish the right of the signatory higher education provider⁸ (HEP) to allocate to their students a proportion of the PBSA in a block that they don't otherwise control. Nominees are typically international or first-year students to whom universities offer 'accommodation guarantees' as part of their recruitment offer. Nominations agreements are not required where the development is being built by a HEP to meet its own needs (see policy H15 supporting text, paragraph 4.15.3).
- 3.1.5 The nominations agreement for the affordable student accommodation reflects that HEPs are likely to have the best awareness of whom to prioritise and allocate such provision, in light of overall need in their student population. In turn, the requirement to have a nominations agreement to cover a proportion of other bedspaces will:
- help direct accommodation to locations suitably connected with institutions
 - link provision to HEP recruitment plans, providing a necessary feedback loop.
- 3.1.6 It is anticipated that these recruitment plans are sufficiently long-term to affect the appetite to enter such agreements. This should in turn cool down the pipeline for accommodation if it is in danger of being overprovided or vice versa. Similarly, if a location is not well related to any London-based institution by proximity or public transport, nominations agreements are also likely to be harder to secure.
- 3.1.7 This is because, while nominations agreements help universities meet their accommodation guarantees, they are also likely to come with contractual obligations to be able to nominate students in sufficient numbers. Therefore, prior to accepting such an undertaking, the institution concerned must be satisfied that the development: will meet its students' needs; and has enough accommodation need from which to nominate.

⁸ defined in footnote 77 to the London Plan as: 'an education institution that provides a designated course that has been approved by the Department for Education for higher education study which allows the student to apply for government-financed student loans. Higher education study is at qualification Level 4 or above (i.e. above A-level or equivalent)... The Office for Students provides a register listing all the [English higher education providers](#) that it officially recognises.' Most are universities so this may be an alternative term used; a similar term is a higher education institution (HEI).

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3.1.8 However, in return for HEPs helping to create more certainty for accommodation providers that their accommodation will be let, many offer preferential rents. These can further support student recruitment to those HEPs, and the overall drive for affordability, which is another policy concern (see London Plan, paragraph 4.15.7).

3.2 Expectations – what and when?

3.2.1 The supporting text to Policy H15 (paragraph 4.15.3) sets out that nominations agreements are expected to be in place by the point of first occupation. Moreover, HEPs are unlikely to enter into such agreements until plans and, indeed, construction are sufficiently advanced that they can rely on bedspaces being available when needed (e.g. for the start of a particular academic year). However, any Planning Authority will want to ensure a reasonable prospect of compliance with this policy criterion post permission.

Pre-application engagement and ‘letters of comfort’ with the application

3.2.2 The best way to provide assurance to the decision-maker assessing a planning application is for the developer to demonstrate engagement with one or more HEPs. This engagement should explore their interest in the scheme, and appetite to pursue further discussions towards a nominations agreement. In doing so, it is advisable to target institutions that are close or well connected to the location. To mitigate any risks of non-delivery, this engagement should have advanced sufficiently such that one or more ‘letters of comfort’ can be provided at the point of planning application.

3.2.3 A letter of comfort should:

- state that the signatory institution is prepared to continue discussions to an agreed reasonable timetable, and would be likely to enter into a contractual obligation as plans and build-out progress, subject to due diligence by all parties
- set out the institution’s present and future accommodation needs, and how these and any discussions with other providers fit with these needs, allowing for the fact that not all proposals will be built out.

3.2.4 These statements of need may be considered as commercially sensitive, but are important to ensure that there is a strategic overview, and that feedback loops between student recruitment plans and PBSA development are in place. It may also be appropriate for the institution(s) concerned to be involved in ongoing discussions about design, to further demonstrate ongoing interest and ensure the final scheme meets their needs. More general needs evidence is unnecessary as strategic need is established through the policy itself and ongoing monitoring.

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- 3.2.5 Consideration may also be given to whether certain charitable organisations or other collectives could act as proxies for an HEP. In this instance they should have demonstrably close connections with one or more provider and be able to provide similar statements of need to that described in paragraph 3.2.3. This could help address the fact that smaller institutions need a mechanism to engage with the nominations process in a way that reduces the administrative burden. Similarly, newer PBSA providers need a mechanism that is less reliant on established relationships, to enable them to diversify the market.
- 3.2.6 Such proxy or 'hub' arrangements may be particularly relevant on smaller sites where the administrative burden of a nominations agreement may be disproportionate to the number of bedspaces proposed. It may also help share the demand risk across a broader student pool. This means it may be particularly suitable for wheelchair-adapted rooms (provided in line with expectations set out above) where the need from any one institution is more variable.

S106 agreements – minimum requirements

- 3.2.7 In order to fulfil the policy requirements of H15, the developer should be prepared to enter into a Section 106 (S106) agreement as part of the permission. It is recognised that there may be a need to provide some flexibility in legal agreements, given the commercial implications and timescale issues highlighted above. Therefore, the S106 agreement should require developers, as a minimum, to use all reasonable endeavours to secure one or more ongoing nominations agreements by the point of first occupation. Consideration should also be given to setting out a fallback 'cascade mechanism' (see below) that should also be secured within the S106 agreement.
- 3.2.8 The nominations agreement required by the legal obligation should cover (as a minimum) the majority of student bedrooms, including all the affordable student accommodation. This means the sum of affordable and other bedrooms covered should be at least 50 per cent of the scheme's total, though in practice, 51 per cent will suffice. Where this minimum calculation generates a number of bedspaces that is not whole (e.g. 180.2) it should be rounded up to the next whole bedspace (in this case, 181).
- 3.2.9 Nominations agreements should be secured in perpetuity. However, if for any reason the agreement ceases or is time-limited, either it should be renewed or a new agreement should be secured with another institution to cover ongoing occupation by students in this way.
- 3.2.10 As part of the monitoring process, the developer should notify the LPA of a concluded nominations agreement, providing a copy. The developer should ensure the timing of negotiations and the notification to the LPA provides for any agreement to dovetail with the end of construction or the expiry of an existing one, so the required number of bedspaces are continuously covered by a nominations agreement.

Cascade mechanisms

- 3.2.11 Any failure to secure a nominations agreement by point of first occupation, or any other gap in coverage, should also be notified to the LPA together with evidence to demonstrate that all reasonable endeavours have been taken. The notification allows for the LPA to be made aware of potential shifts in demand, or quality concerns that may be reflected in difficulty securing an agreement. This will help with ongoing housing needs assessments, and consideration of the appropriate proportion and design of student housing that should be pursued as part of creating mixed and inclusive neighbourhoods going forward. It may also support enforcement scrutiny, where appropriate.
- 3.2.12 In this case, the developer should be obliged to continue to use all reasonable endeavours to secure a nominations agreement. In the interim, a cascade mechanism of direct let should be encouraged. Where this has not been anticipated and secured in the S106 Agreement, it should be agreed with the LPA in writing.
- 3.2.13 In such a mechanism, the order of priority, from highest to lowest, would usually be as follows:
- full-time higher-education students at local HEPs (as defined by the LPA)
 - those at other London HEPs with good sustainable transport connections to the site
 - any other higher-education student at a London HEP campus
 - as a last resort, any other higher-education student with a need to reside in London.
- This provides for a temporary alignment with need – both locational and quantitative.
- 3.2.14 Whether a nominations agreement exists or not, for the avoidance of doubt, the requirement to provide affordable student accommodation remains in perpetuity, as stated in the S106 agreement. The S106 agreement would be expected to set out an alternative allocation mechanism in the absence of a nominations agreement, which may involve a charitable organisation acting as a proxy for an HEP (see paragraph 3.2.5).
- 3.2.15 Nominations agreements may also contain cascade mechanisms of this type. This enables universities to manage the risk of short-term ‘shocks’ to demand (e.g. another pandemic or a sudden change in visa rules).
- 3.2.16 Cooperation and collaboration to secure ‘plan B’ arrangements (e.g. with other nearby institutions or a ‘hub’ organisation) as part of such a cascade mechanism are encouraged. Where the direct-let provisions of the cascade are invoked, however, the Council should be notified for monitoring purposes. If this happens two or more years in a row, there should typically be a requirement to

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use all reasonable endeavours to secure a new nominations agreement with another London-based HEP to realign provision with need.

