

# Affordable Housing Planning Analysis Referable Applications

March 2021

## 1.0 Introduction

- 1.1 This report provides an analysis of data relating to residential planning applications referred to the Mayor with a resolution by the Local Planning Authority to grant consent or approved directly by the Mayor.
- 1.2 This report primarily focuses on applications that were considered at ‘Stage 2’ of the referral process by the Mayor in 2020, and ‘Stage 3’ for call-in schemes. For comparative purposes, data for the period of 2011-2020 is also provided. The report relies on planning data and does not take into account residential units that have been granted consent as market housing, but which have subsequently been delivered as or converted to affordable housing.

## 2.0 Overview

- 2.1 The Mayor considered 165 applications at Stage 2/ 3 in 2020. Of these, 156 applications were referred to the Mayor at Stage 2 with a LPA resolution to grant consent or were approved directly by the Mayor, subject to the completion of a S106 agreement<sup>1</sup>.
- 2.2 95 of these schemes included residential development providing a total of 38,865 residential units, of which 14,337 were affordable. This is an overall affordable percentage of 37% by unit. In the same period, 77,617 habitable rooms were approved, of which 32,147 were affordable. This equates to an affordable percentage of 41% by habitable room, which is the primary measure for affordable housing used in the London Plan 2021. The average level of affordable housing per scheme was 40% by unit and 42% by habitable room.
- 2.3 The analysis indicates that the proportion of affordable housing secured in referable applications has increased significantly in recent years. The number of affordable homes secured in 2020 at 14,337 was the highest over the period, exceeding the previous high of 14,141 in 2018.

Table 1. 2020 Residential Applications – housing units and affordable housing

Total number of applications considered (all uses)	Number of residential applications with a resolution to grant or approved directly <sup>2</sup>	Number of affordable units approved	Total number of units approved	% of total units that are affordable	% of total hab rooms that are affordable	Average Affordable % per scheme (by unit)	Average Affordable % per scheme (by hab rooms)
165	95	14,337	38,865	37%	41%	40%	42%

<sup>1</sup> Most applications were considered by the Mayor, however in some instances these were considered by the Deputy Mayor for Planning, Skills and Regeneration, acting under delegated authority.

<sup>2</sup> This includes cases that were decided at a representation hearing at Stage 3.

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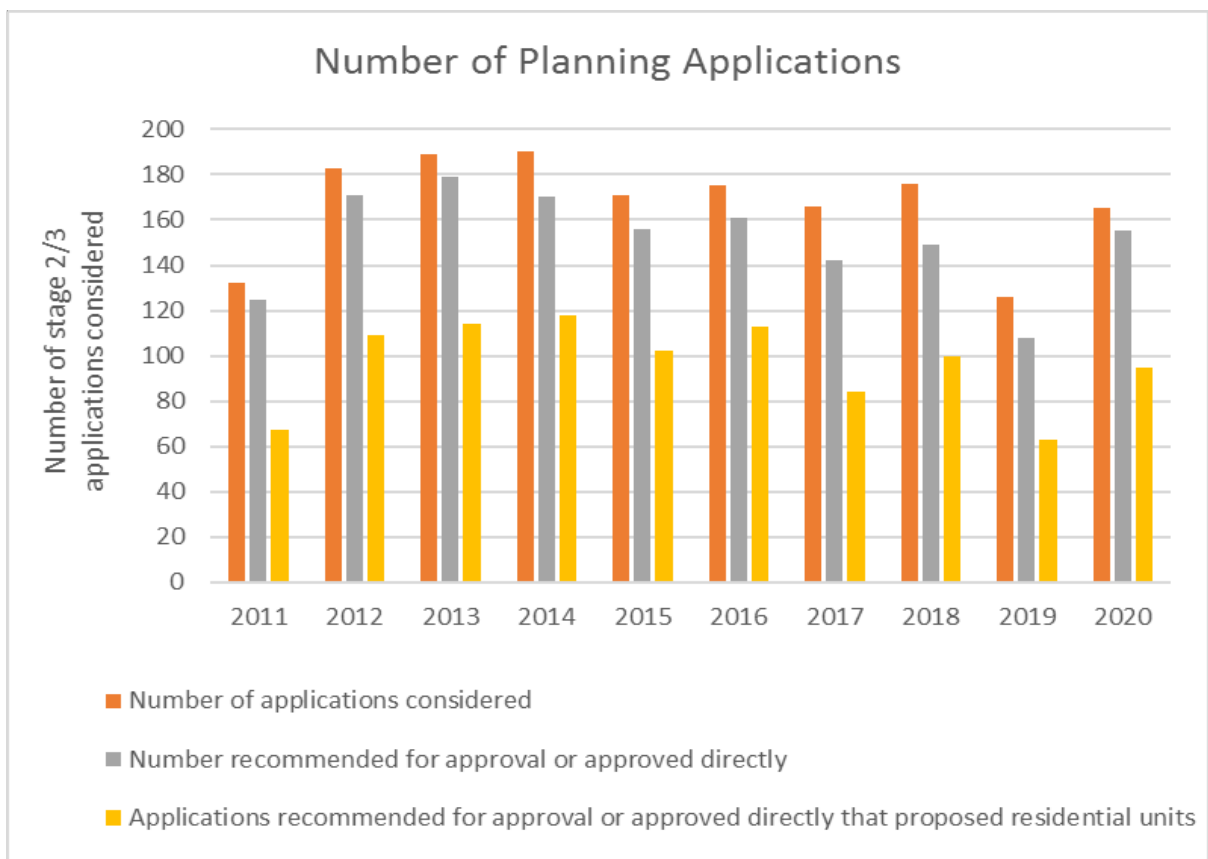
2.4 Of the 95 residential applications, 73 provided affordable housing of 35% or over (by habitable room) which is the equivalent of 77% of the applications. Just over half of eligible schemes followed the Fast Track Route.

### 3.0 Referable applications data

- 3.1 Planning applications in London are submitted to the relevant local planning authorities. Once an application has been submitted, if it meets the relevant criteria set out in the [Mayor of London Order \(2008\)](#) the Local Planning Authority (LPA) is required to refer it to the Mayor. Residential applications are typically referred to the Mayor where 150 or more units are proposed or where the scheme is referred on the grounds of height. The Mayor has six weeks to provide comments on the application, assessing whether it complies with the London Plan policies. This is a consultation response known as 'stage one'.
- 3.2 Once the application has been considered by the LPA at its planning committee, where it decides whether to grant or refuse permission, the LPA is then required to refer the application to the Mayor for his final decision, known as a Stage 2 referral. The Mayor has 14 days to make a decision to allow the LPA decision to stand, to direct refusal, or to take over the application, becoming the LPA. Where the Mayor becomes the LPA a hearing report is produced to inform the Mayor when making his decision. This is known as a Stage 3 report.
- 3.3 The data referred to in this report is primarily taken from reports for schemes that were considered by Mayor at Stage 2 (stage 2 reports) for the calendar year 2020. Where the Mayor became the LPA, the Stage 3 report has been used. Data from Stage 1 reports is also referred to in some sections. Stage 2 and 3 reports have been used as the primary source of data because these provide information that is available to the Mayor to inform his decision making and they reflect any changes to the scheme that may have occurred during the application process.
- 3.4 The data comprises of referable applications which deliver self-contained residential units. These may form part of a residential-led or mixed-use development. Affordable housing delivery is reported on a unit and habitable room basis and as a proportion of total residential units.
- 3.5 The report relies on planning data and the data does not take into account residential units that have been granted consent as market housing, but which have subsequently been delivered as, or converted to, affordable housing. This takes place for a range of reasons such as a developer wishing to reduce market risk and generate cashflow who may sell units permitted as market housing to a Registered Provider (RP) for delivery as affordable housing. The proportion of affordable housing may also be increased in RP or council-led schemes after planning consent has been granted or more affordable tenures may be provided. Planning consent is not normally required for these changes and so these are not captured in planning data. The data also does not take into account any additional affordable housing units, changes in affordable tenure or contributions secured through viability review mechanisms after planning consent has been granted.
- 3.6 In the interest of data consistency, section 73 applications (which constitute amendments to existing planning permissions) have been omitted to avoid duplication within the dataset. Data from earlier in the stated reporting period was reported and recorded in accordance with accepted methodologies at that time. This report and the dataset, which is available on the [London Datastore](#) should be considered in that context. The dataset comprises of an extensive amount of information and every effort has been made to minimise errors, however if any are identified, please notify the GLA at [planningsupport@london.gov.uk](mailto:planningsupport@london.gov.uk).

**4.0 Number of applications by calendar year**

- 4.1 The chart below displays the number of planning applications referred to the Mayor and the number with a resolution to grant or approved directly between 2011 and 2020. It also shows the number of applications that included residential units with a resolution to grant or that were approved directly by the Mayor.
- 4.2 Given the scale of schemes that are referred to the Mayor, the decision to develop a site and to submit a planning application may be taken several, or for very large sites, many years before it is referred to the Mayor. The number of schemes referred to the Mayor and considered at Stage 2/ 3 each year fluctuates because of this and due to a range of reasons such as varying market conditions, projections and wider macro-economic and political factors. The timing of referral is also influenced by the extent to which proposals accord with the Development Plan or whether there are outstanding issues to address, as well as the resourcing available to planning authorities to assess and refer strategic applications which are often complex and require specialist advice.
- 4.3 The size of development proposals also varies from scheme to scheme and there are years where a smaller number of applications are referred to the Mayor, but these proportionately account for a larger number of residential units and vice versa. For example, in 2019, there were fewer referable residential applications compared with other years in the dataset, but the number of units granted consent was higher than in some previous years. The smaller number of applications considered at Stage 2/ 3 may also have been affected by the political uncertainty associated with the negotiation of the Brexit Withdrawal Agreement and the UK general election in 2019.



- 4.4 The chart shows that 165 applications were considered in 2020, 156 applications had a resolution to grant consent or were approved directly and that 95 of those applications proposed residential units. This indicates that despite the CV-19 Pandemic, planning authorities,

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the GLA Planning Team and the Mayor were able to assess a significant number of strategic applications in 2020.

## 5.0 Affordable Housing analysis by unit and habitable room

### Total affordable housing units as a proportion of total residential units

- 5.1 The table below compares data on affordable housing provision in Stage 1 referrals with the same data for schemes when they were considered at Stage 2 or approved directly by the Mayor. This indicates that there was an increase in the percentage of affordable housing between stage 1 and stage 2/3 in almost every year. It does not however show changes that took place between pre-application stage/ submission of the application and stage 1, and so may understate the change in affordable housing provision over the course of the application process.
- 5.2 In 2020, 37% affordable housing was provided in referable applications, which together with 2019, is the highest proportion of affordable housing secured per year since 2011. The number of affordable homes secured at 14,337 was the highest over the period, exceeding the previous high of 14,141 in 2018.

Table 2. Total numbers of affordable and residential (market and affordable) units per year

	Stage 1	Resolution to grant or approved directly (stage 2/3)		Affordable Housing Provision by Unit	Percentage Change from Stage 1 to Stage 2/3
	Affordable Housing Provision by Unit	Affordable Units	Total Units		
<b>2011</b>	25%	6,900	29,120	24%	-1%
<b>2012</b>	22%	13,068	52,932	25%	3%
<b>2013</b>	20%	9,863	40,058	25%	5%
<b>2014</b>	22%	10,026	44,982	22%	0%
<b>2015</b>	18%	13,929	53,425	26%	8%
<b>2016</b>	20%	8,606	34,807	25%	5%
<b>2017</b>	23%	6,188	23,784	26%	3%
<b>2018</b>	30%	14,141	42,762	33%	3%
<b>2019</b>	34%	10,935	29,631	37%	3%
<b>2020</b>	34%	14,337	38,865	37%	3%

### Total affordable housing as a proportion of total residential (by habitable room)

- 5.3 Affordable housing by habitable room is the primary measure used within the London Plan (2021) because this accounts for the size of affordable homes as well as overall provision. The table below shows data on affordable housing provision by habitable room for the years 2019 and 2020<sup>3</sup>. The percentage of affordable housing provision by habitable room in 2020 was 41%, up from 38% in 2019.

<sup>3</sup> Total habitable room data is not available for some 2019 and 2020 schemes, and so the figures underestimate the total number of affordable and overall habitable rooms, however sufficient data is available to indicate the percentage of affordable housing provision. Comprehensive data for the previous years is however not available and so has not been used.

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Table 3. Total numbers of affordable and residential (market and affordable) habitable rooms for 2019 and 2020

	<b>Resolution to grant or approved directly (stage 2/ 3)</b>		
	<b>Affordable Habitable Rooms</b>	<b>Total Habitable Rooms</b>	<b>Affordable Housing Provision by Habitable Room</b>
<b>2019</b>	27,323	71,260	38%
<b>2020</b>	32,147	77,617	41%

### Average Percentage of Affordable Housing Per Scheme (by unit)

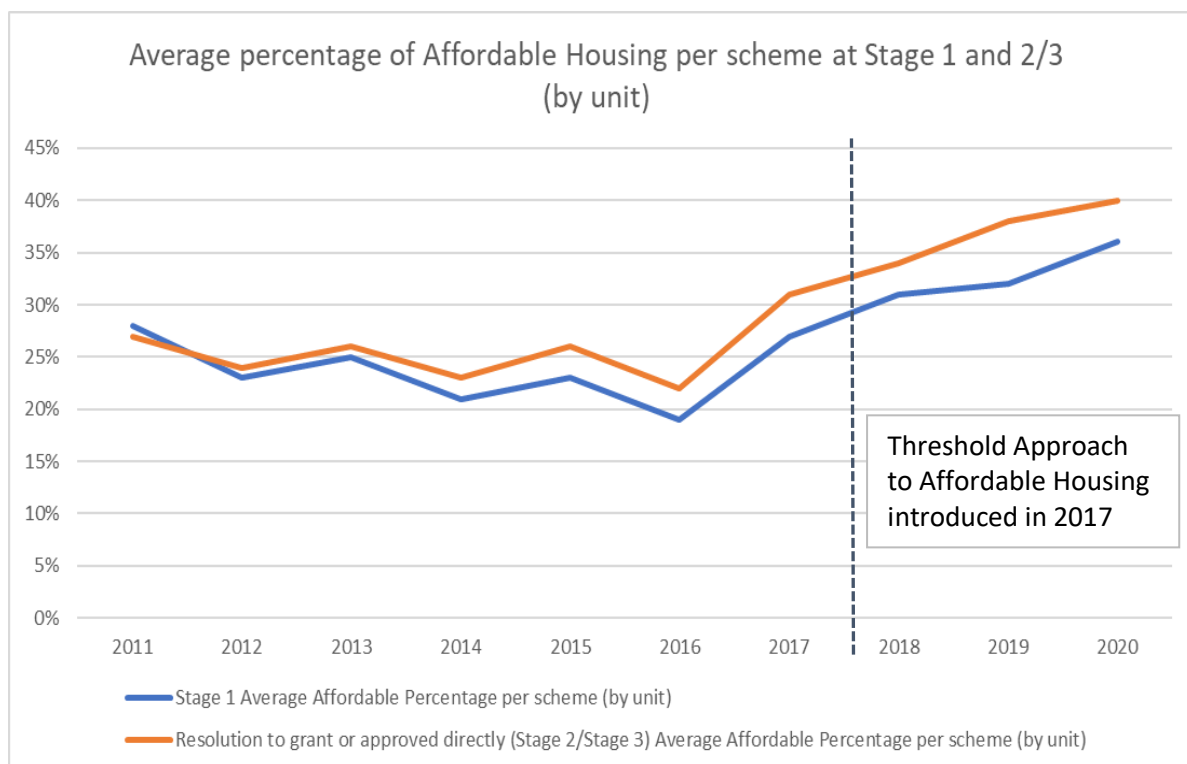
- 5.4 The table below shows the average percentage of affordable housing by scheme on a per unit basis. This compares affordable housing provision in Stage 1 referrals to the Mayor with the same data for schemes at Stage 2/ 3. This shows the extent to which affordable housing provision improved through the course of the planning application, although, does not reflect any changes since pre-application stage/ submission of the application.
- 5.5 The average level of affordable housing provision per scheme was 40% by unit in 2020, which is the highest proportion of affordable housing secured per year since 2011.

Table 4. Average Percentage of Affordable Housing per scheme (by unit)

	<b>Stage 1 Average Affordable Percentage per scheme (by unit)</b>	<b>Resolution to grant or approved directly (Stage 2/Stage 3) Average Affordable Percentage per scheme (by unit)</b>	<b>Percentage Point Change from Stage 1 to Stage 2/3</b>
<b>2011</b>	28%	27%	-1%
<b>2012</b>	23%	24%	1%
<b>2013</b>	25%	26%	1%
<b>2014</b>	21%	23%	2%
<b>2015</b>	23%	26%	3%
<b>2016</b>	19%	22%	3%
<b>2017</b>	27%	31%	4%
<b>2018</b>	31%	34%	3%
<b>2019</b>	32%	38%	6%
<b>2020</b>	36%	40%	4%

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5.6 The graph below shows the average level of affordable housing secured per scheme at Stage 1 and Stage 2/3 since 2011.



## Average Percentage of Affordable Housing Per Scheme (by habitable room)

5.7 The table below shows the average percentage of affordable housing per scheme on a habitable room basis for the years 2016-2020<sup>4</sup>. The average affordable housing percentage per scheme was 42% by habitable room in 2020, which is the highest level over the period.

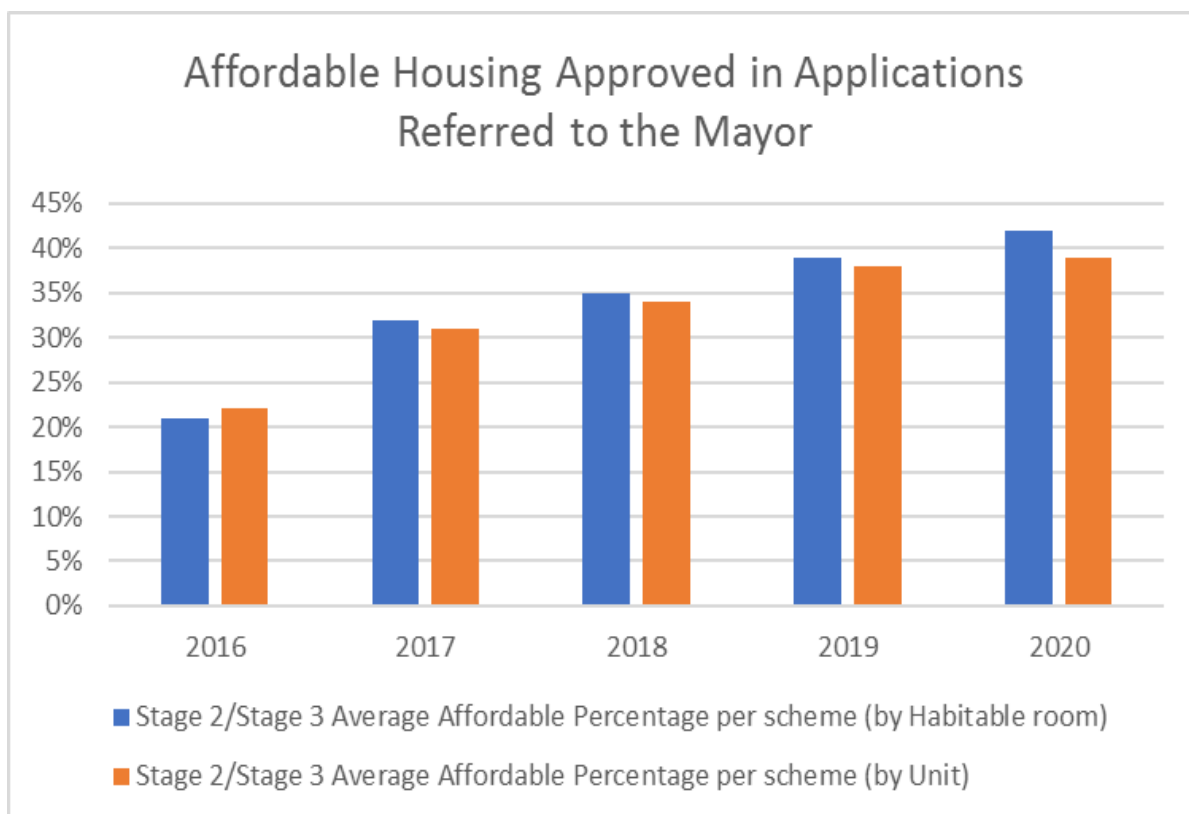
Table 5. Average Percentage of Affordable Housing per scheme (by habitable room)

	<b>Resolution to grant or approved directly (Stage 2/Stage 3) Average Affordable Percentage per scheme (by hab room)</b>
<b>2016</b>	21%
<b>2017</b>	32%
<b>2018</b>	35%
<b>2019</b>	39%
<b>2020</b>	42%

<sup>4</sup> Comprehensive information for the percentage of affordable housing by habitable room is not available for earlier years.

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5.8 The graph below shows the average percentage of affordable housing per scheme by unit and habitable room:



### 6.0 Schemes providing 35% or more affordable housing and following the Fast Track Route

6.1 The table below shows the number of cases providing 35% or more affordable housing and that followed the Fast Track Route in the years 2018 – 2020. These are the complete calendar years in which the Mayor’s Threshold Approach to affordable housing has been in operation since adoption of the Mayor’s Affordable Housing and Viability Supplementary Planning Guidance (AH&V SPG) in August 2017.

6.2 In both 2019 and 2020, more than three quarters of schemes have provided 35% or more affordable housing<sup>5</sup>. The number of schemes following the Fast Track Route has increased over the period since adoption of the AH&V SPG, during which time the Draft London Plan has also increased in weight, with just over half of eligible referable applications following the Fast Track Route in 2020<sup>6</sup>. The new London Plan was published in March 2021, which now supersedes the 2016 plan and carries full statutory weight.

6.3 Analysis of the time between Stage 1 and Stage 2 Reports also indicates that the threshold approach has had a material impact on time taken to determine planning applications, with Fast Track Route schemes on average progressing 30% faster to Stage 2. This does not include other time savings in the planning application process that may have occurred prior to Stage 1 and post Stage 2.

<sup>5</sup> This includes sites on public and industrial land and estate regeneration schemes. On public and industrial land the threshold level is 50%, although where a scheme is part of a public land portfolio agreement, or where industrial floorspace capacity is being re-provided the threshold is 35%.

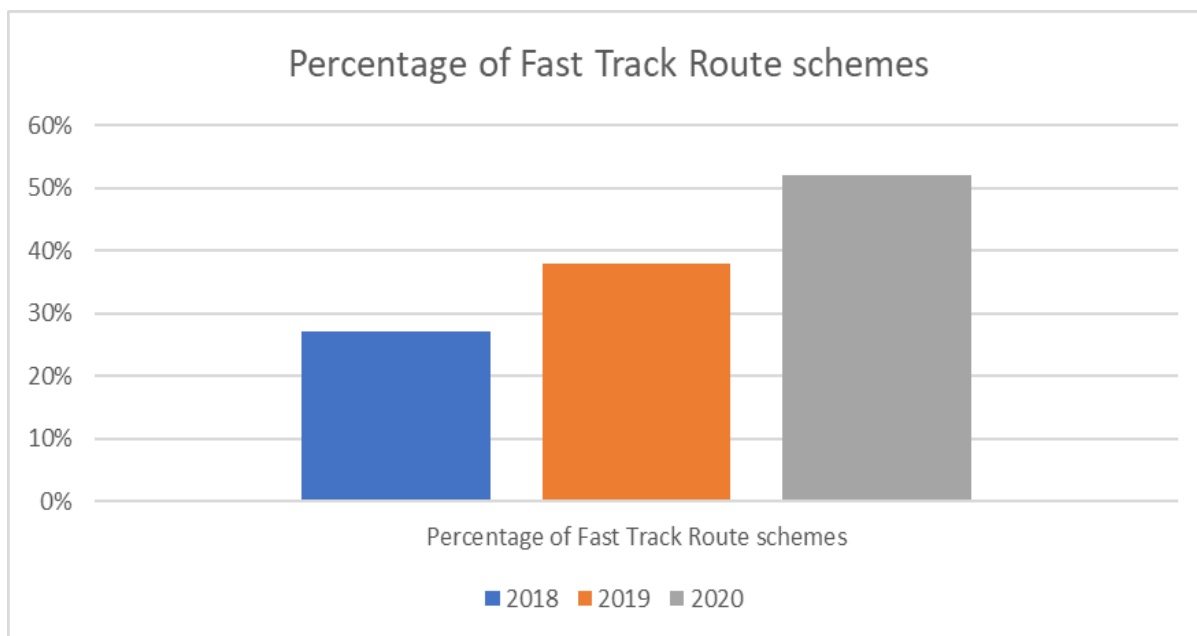
<sup>6</sup> This excludes estate regeneration schemes which follow the Viability Tested Route.

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Table 6. Schemes providing 35% or more affordable housing and following the Fast Track Route

	Total number of approved residential applications	Number of schemes with 35% affordable housing or more (hab. Rooms)	Percentage of schemes with 35% affordable housing or more (hab. Rooms)	Number of schemes eligible for Fast Track Route <sup>7</sup>	Number of Fast Track Route schemes
<b>2018</b>	99	52	53%	83	22 (27%)
<b>2019</b>	63	50	79%	55	21 (38%)
<b>2020</b>	95	73	77%	83	43 (52%)

6.4 The graph below shows the percentage of eligible schemes that have followed the Fast Track Route since the introduction of the Threshold Approach to Affordable Housing in the Mayor’s Affordable Housing and Viability SPG.



## 7.0 Tenure Split of Affordable Housing

7.1 The following table shows the affordable housing tenure split, by unit, for Low Cost Rent housing and Intermediate Housing between 2011 and 2020<sup>8</sup>. These comprise of the following affordable housing types:

- Low Cost Rent: Social Rent, London Affordable Rent, Other Affordable Rent Products (for example borough specific low cost living rent products).
- Intermediate: London Living Rent, London Shared Ownership, Discounted Market Rent, Discounted Market Sale.

<sup>7</sup> See previous footnote.

<sup>8</sup> This uses information available in Stage 2 / 3 reports, however, for some years, data availability is more limited and so this may understate the total number of affordable housing units.



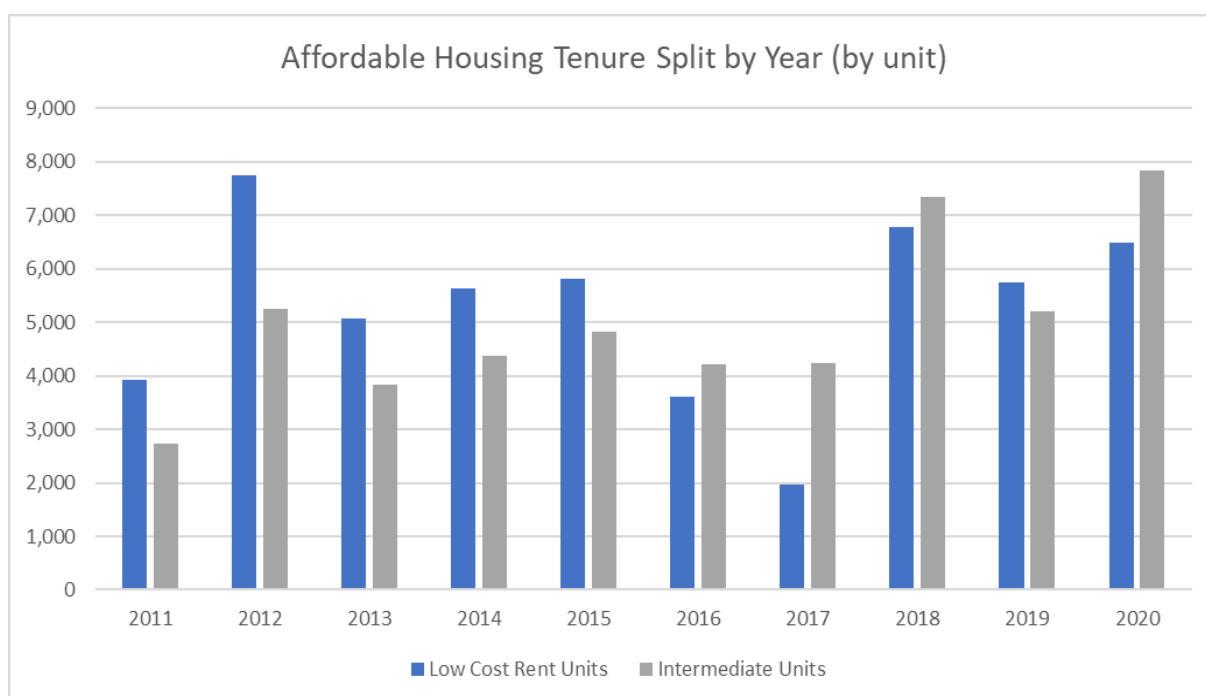
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7.2 This indicates that the third highest number of low cost rent units were secured in 2020 compared with previous years and the highest number of intermediate units. The tenure split was 45% Low Cost Rent, 55% intermediate.

Table 7: Affordable housing units by tenure

	Low Cost Rent Units	Low Cost Rent Units as a % of Total Affordable Units	Intermediate Units	Intermediate Units as a % of Total Affordable Units
<b>2011</b>	3,917	59%	2,738	41%
<b>2012</b>	7,757	60%	5,248	40%
<b>2013</b>	5,073	57%	3,843	43%
<b>2014</b>	5,642	56%	4,373	44%
<b>2015</b>	5,803	55%	4,826	45%
<b>2016</b>	3,619	46%	4,225	54%
<b>2017</b>	1,959	32%	4,229	68%
<b>2018</b>	6,788	48%	7,353	52%
<b>2019</b>	5,739	52%	5,196	48%
<b>2020</b>	6,495	45%	7,842	55%

7.3 The following chart shows the tenure split between Intermediate and Low Cost Rent, by unit, for schemes with a resolution to grant or approved directly in planning applications from 2011 – 2020<sup>9</sup>:



<sup>9</sup> See previous footnote for information regarding data availability.