

## Chapter 4

# Housing



## Policy H1 Increasing housing supply

- A Table 4.1 sets the ten-year targets for net housing completions which each local planning authority should plan for. Boroughs must include these targets in their Development Plan documents.
- B To ensure that ten-year housing targets are achieved:
- 1) boroughs should prepare delivery-focused Development Plans which:
    - a) allocate an appropriate range and number of sites that are suitable for residential and mixed-use development and intensification
    - b) encourage development on other appropriate windfall sites not identified in Development Plans through the Plan period, especially from the sources of supply listed in B2
    - c) enable the delivery of housing capacity identified in Opportunity Areas, working closely with the GLA.
  - 2) boroughs should optimise the potential for housing delivery on all suitable and available brownfield sites through their Development Plans and planning decisions, especially the following sources of capacity:
    - a) sites with existing or planned public transport access levels (PTALs) 3-6 or which are located within 800m of a Tube station, rail station or town centre boundary<sup>35</sup>
    - b) mixed-use redevelopment of car parks and low-density retail parks
    - c) housing intensification on other appropriate low-density sites in commercial, leisure and infrastructure uses
    - d) the redevelopment of surplus utilities and public sector owned sites
    - e) small housing sites (see [Policy H2 Small sites](#))
    - f) industrial sites that have been identified through the processes set out in [Policy E4 Land for industry, logistics and services to support London's economic function](#), [Policy E5 Strategic Industrial Locations \(SIL\)](#), [Policy E6 Locally Significant Industrial Sites](#) and [Policy E7 Intensification, co-location and substitution of land for industry, logistics and services to support London's economic function](#).

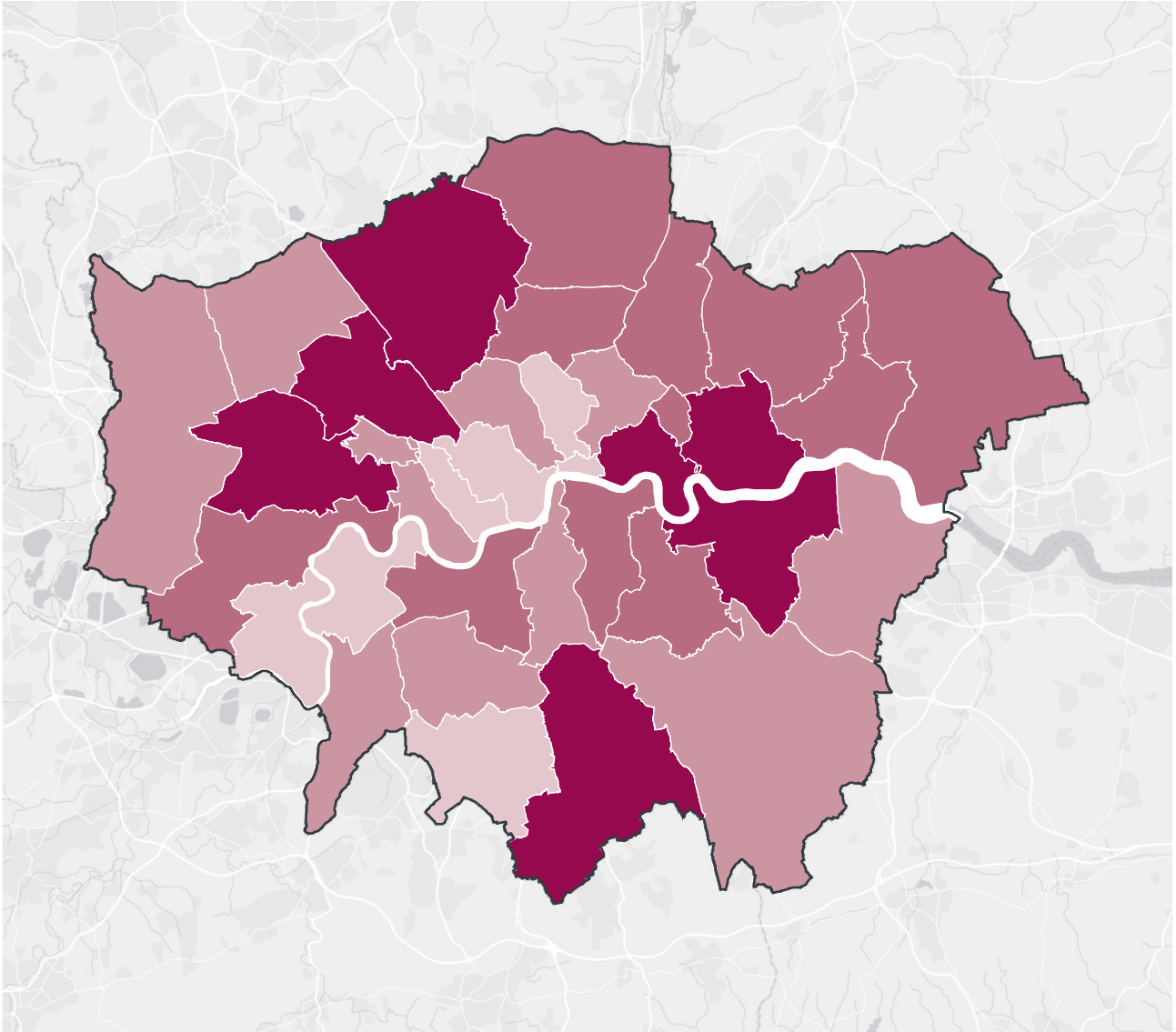
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District, major, metropolitan and international town centres

- C Boroughs should proactively use brownfield registers and permission in principle to increase planning certainty for those wishing to build new homes.
- D Boroughs should publish and annually update housing trajectories based on the targets in Table 4.1 which identify the sources of housing capacity (including windfall) expected to contribute towards achieving housing targets and should work with the Mayor to resolve any anticipated shortfalls.
- E Where new sustainable transport infrastructure is planned, boroughs should re-evaluate the appropriateness of land use designations and the potential to accommodate higher-density residential and mixed-use development, taking into account future public transport capacity and connectivity levels.
- F On sites that are allocated for residential and mixed-use development there is a general presumption against single use low-density retail and leisure parks. These developments should be designed to provide a mix of uses including housing on the same site in order to make the best use of land available for development.

**Table 4.1 - 10 year targets for net housing completions (2019/20 -2028/29)**

<b>Planning Authority</b>	<b>Ten-year housing target</b>	<b>Annualised average</b>
Barking & Dagenham	22,640	2,264
Barnet	31,340	3,134
Bexley	12,450	1,245
Brent	29,150	2,915
Bromley	14,240	1,424
Camden	10,860	1,086
City of London	1,460	146
Croydon	29,490	2,949
Ealing	28,070	2,807
Enfield	18,760	1,876
Greenwich	32,040	3,204
Hackney	13,300	1,330
Hammersmith & Fulham	16,480	1,648
Haringey	19,580	1,958
Harrow	13,920	1,392
Havering	18,750	1,875
Hillingdon	15,530	1,553
Hounslow	21,820	2,182
Islington	7,750	775
Kensington & Chelsea	4,880	488
Kingston	13,640	1,364
Lambeth	15,890	1,589
Lewisham	21,170	2,117
London Legacy Development Corporation	21,610	2,161
Merton	13,280	1,328
Newham	38,500	3,850
Old Oak Park Royal Development Corporation	13,670	1,367
Redbridge	19,790	1,979
Richmond	8,110	811
Southwark	25,540	2,554
Sutton	9,390	939
Tower Hamlets	35,110	3,511
Waltham Forest	17,940	1,794
Wandsworth	23,100	2,310
Westminster	10,100	1,010
<b>Total</b>	<b>649,350</b>	<b>64,935</b>

**Figure 4.1 - 10 Year Housing Target for Net Completions****10 Year Housing Target for Net Completions**

- 25,541 - 38,500
- 16,481 - 25,540
- 10,101 - 16,480
- 1,460 - 38,500

Source: GLA Planning

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- 4.1.1 The Mayor has carried out a London-wide Strategic Housing Market Assessment (SHMA) and Strategic Housing Land Availability Assessment (SHLAA). The SHMA has identified **need for 66,000 additional homes per year**. The SHMA covers overall housing need as well as exploring specific requirements for purpose-built student accommodation and specialist older persons accommodation within the overall figure.
- 4.1.2 For the purposes of the Plan, London is considered as a single housing market area, with a series of complex and interlinked sub-markets. The advantage of **strategic planning** is that it allows London to focus development in the most sustainable locations, allowing all of London's land use needs to be planned for with an understanding of how best to deliver them across the capital. Because of London's ability to plan strategically, boroughs are not required to carry out their own housing needs assessment<sup>36</sup> but must plan for, and seek to deliver, the housing targets in this Plan. These have been informed by the SHLAA and the SHMA.
- 4.1.3 To achieve these housing targets the overall average rate of **housing delivery** on both large and small sites will need to approximately double compared to current average completion rates. The Mayor recognises that development of this scale will require not just an increase in the number of homes approved but also a fundamental transformation in how new homes are delivered. The London Plan, London Housing Strategy and Mayor's Transport Strategy together provide a framework to help achieve this ambition but achieving this step change in delivery will require increased levels of funding to support the delivery of housing and infrastructure, which is discussed in more detail in Chapter 11.
- 4.1.4 In particular, the **London Housing Strategy** sets out the Mayor's proposals for working with boroughs and other partners to deliver the step change in housing supply required, through:
- **proactive intervention in London's land market** to unlock and accelerate housing delivery, including on public land and through compulsory purchase and other forms of land assembly
  - **increased and better-targeted investment** to de-risk development and maximise opportunities from new transport infrastructure
  - **diversification of the housebuilding industry** through increased

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<sup>36</sup> Where boroughs wish to commission their own research on housing requirements to complement the London-wide SHMA, they are encouraged to do this on a sub-regional rather than single-borough basis.

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Build to Rent development, more support for small and medium-sized builders, and more supply from councils and housing associations

- **tackling the construction skills gap** and modernising construction methods.

- 4.1.5 The London Housing Strategy encourages boroughs to put in place clear plans to bring forward appropriate sites in their own ownership for housing delivery. Boroughs should align these plans with their development plans in order to speed up housing delivery and ensure planning policy implications are fully considered.
- 4.1.6 Also set out in the London Housing Strategy, is the Mayor's aim to ensure that Londoners have an opportunity to purchase new homes before they are marketed overseas – particularly those homes that ordinary Londoners are more likely to be able to afford. The Mayor is discussing with major homebuilders steps to make more new homes available to Londoners before anyone else. The Mayor would keep any such steps under review to ensure that they deliver his objectives. Their effectiveness will be monitored and the Mayor will consider other measures if necessary.
- 4.1.7 **The ten-year housing targets** in Table 4.1 are based on the 2017 London SHLAA. This includes an assessment of large housing sites (0.25 hectares and above) undertaken in partnership with boroughs, which provides the most comprehensive study available of the capital's capacity for housing delivery based on a consistent pan-London methodology. In addition, the SHLAA includes an assessment of small site capacity using a combination of trend data for certain types of development and an estimate of potential for intensification in existing residential areas. The differences between borough housing targets are a reflection of the variations in the constraints and opportunities affecting development on large sites and the capacity for development on small sites<sup>37</sup>. This includes: transport connectivity; the availability of large brownfield sites; scope to accommodate higher residential densities around town centres and stations; planning designations for industrial land, Green Belt, Metropolitan Open Land and other protected open spaces; environmental constraints; heritage assets; and the need to accommodate other land uses.
- 4.1.8 The SHLAA shows that there is **capacity** across London for approximately 40,000 new homes a year on large sites. Modelling in the SHLAA also shows that there is capacity for development on small sites for 24,500 new homes a year. The allowance for windfall sites (that are not specifically

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<sup>37</sup>

For a full discussion of the SHLAA methodology and findings see 2017 SHLAA report.

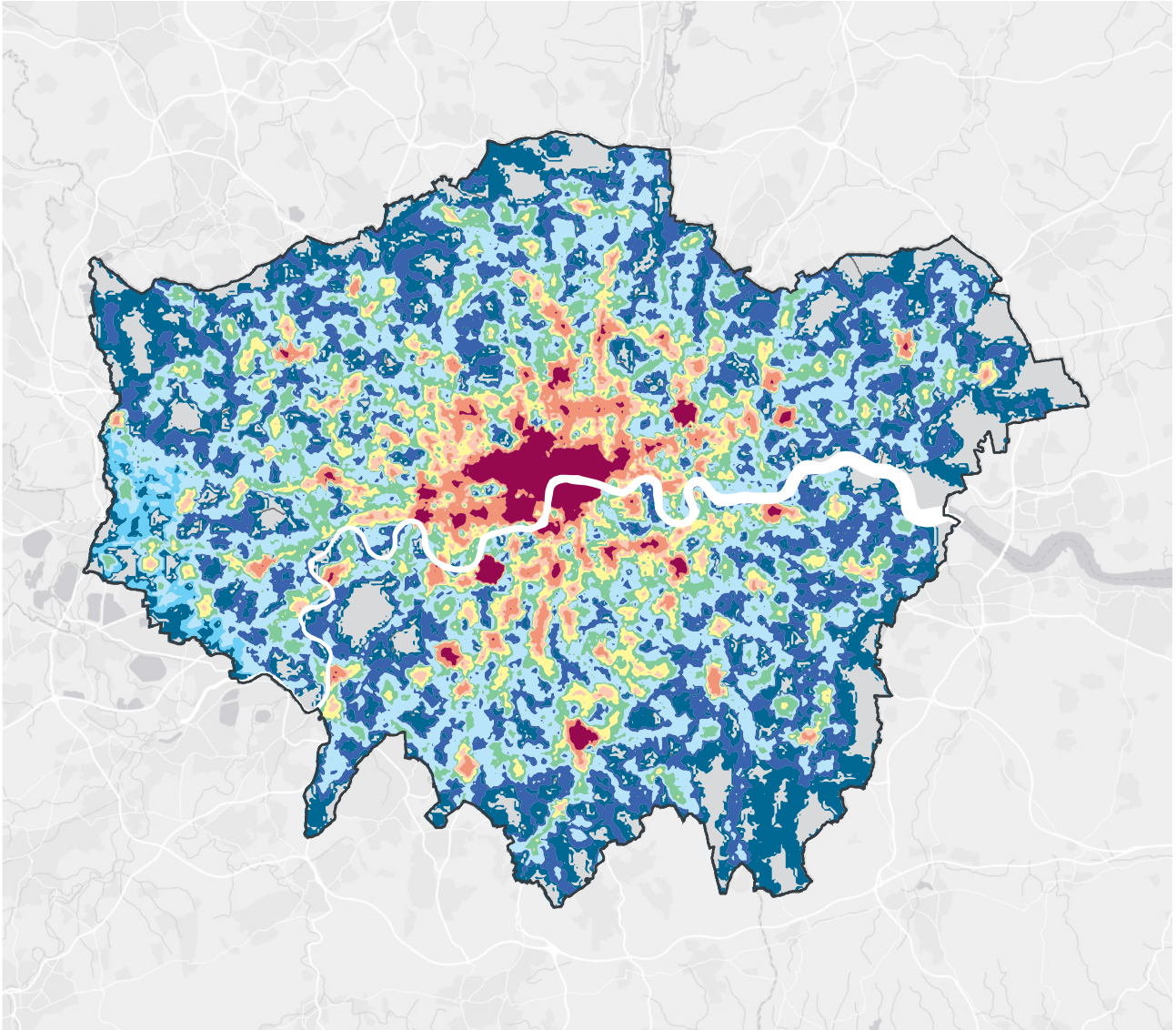
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identified) is considered appropriate given the policy framework set out in the London Plan; the capital's reliance on recycled brownfield sites in other active land uses; and the number of additional homes expected to be provided via increases in the density of existing homes through small housing developments. Boroughs are encouraged to identify as many sites, including small sites, as possible via their Development Plan documents and brownfield registers. However, because of the nature of some sites (as set out above), including the particular incremental characteristics of small sites, boroughs are supported in using windfall assumptions in their five-year housing trajectories based on the numbers set out below. This is because, in contrast with recent annual trends on small sites, the figures in Table 4.2 are considered to better reflect the step change that can be expected in housing delivery through the presumption in favour of small housing developments ([Policy H2 Small sites](#)) and the package of measures outlined in the London Housing Strategy.

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**Figure 4.2 - Public Transport Access Levels**



**Public Transport Access Levels  
2021**

- |      |      |
|------|------|
| ● 0  | ● 4  |
| ● 1a | ● 5  |
| ● 1b | ● 6a |
| ● 2  | ● 6b |
| ● 3  |      |

Source: Transport for London (TfL)

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## Policy H2 Small sites

- A Small sites should play a much greater role in housing delivery and boroughs should pro-actively support well-designed new homes on small sites through both planning decisions and plan-making in order to:
- 1) significantly increase the contribution of small sites to meeting London's housing needs
  - 2) diversify the sources, locations, type and mix of housing supply
  - 3) support small and medium-sized housebuilders
  - 4) support those wishing to bring forward custom, self-build and community-led housing.
- B Boroughs should:
- 1) recognise in their Development Plans and planning decisions that local character evolves over time and will need to change in appropriate locations to accommodate additional housing provision and increases in residential density through small housing developments
  - 2) prepare area-wide design codes to promote good design and to proactively encourage increased housing provision and higher residential densities on small housing developments. Design codes should provide clear guidelines and parameters for small housing developments and show how additional housing provision can be accommodated in different locations, drawing on the principles set out in this policy and Supplementary Planning Guidance provided by the GLA.
- C Boroughs should increase planning certainty on small sites by:
- 1) identifying and allocating appropriate small sites for residential development
  - 2) listing these sites on their brownfield registers
  - 3) granting permission in principle on specific sites or preparing local development orders.
- D To deliver the small sites targets in Table 4.2, boroughs should apply a presumption in favour of the following types of small housing development which provide between one and 25 homes:
- 1) infill development on vacant or underused sites

- 2) proposals to increase the density of existing residential homes within PTALs 3-6 or within 800m of a Tube station, rail station or town centre boundary through:
  - a) residential conversions
  - b) residential extensions
  - c) the demolition and redevelopment of existing buildings
  - d) infill development within the curtilage of a house
- 3) the redevelopment or upward extension of flats and non-residential buildings to provide additional housing.

- E For the purposes of part D, the presumption in favour of small housing developments means approving small housing developments which are in accordance with a design code developed in accordance with part B. Where there is no such design code, the presumption means approving small housing development unless it can be demonstrated that the development would give rise to an unacceptable level of harm to residential privacy, designated heritage assets, biodiversity or a safeguarded land use that outweighs the benefits of additional housing provision.
- F The presumption in favour of small housing developments should not be applied to:
- 1) statutory listed buildings
  - 2) developments providing more than 25 homes
  - 3) proposals that do not provide net additional housing
  - 4) sites of more than 0.25 hectares in size
  - 5) non-self contained housing schemes
  - 6) mixed-use proposals within the Central Activities Zone (CAZ)
  - 7) estate regeneration schemes.
- G New build homes on sites capable of accommodating ten units or fewer which are on the ground floor should meet M4(2) standard for 'accessible and adaptable dwellings' and provide step-free access. New build homes on these sized sites that are not on the ground floor do not need to meet M4(2) standards and can comply with the M4(1) standard, which does not require step-free access.

H Boroughs wishing to apply affordable housing requirements to sites capable of delivering ten units or fewer and which have a maximum combined gross floor space of no more than 1,000 sqm should only require this through a tariff approach to off-site contributions rather than seeking on-site contributions. Boroughs are strongly encouraged to provide the flexibility for payments to be collected prior to the occupation of development, rather than prior to commencement of development.

- 4.2.1 For London to meet its housing needs, **small housing developments** of between one and 25 homes must make a substantially greater contribution to new supply across the city. Therefore, increasing the rate of housing delivery from small housing sites is a strategic priority. Achieving this objective will require positive and proactive planning by boroughs both in terms of planning decisions and plan-making.
- 4.2.2 Increasing housing output of this scale can also help to support a number of **related housing and planning policy objectives**. This includes:
- reviving the role of small and medium-sized developers in delivering new homes in London
  - diversifying the sources, locations, type and mix of housing supply and the type of sites available in addition to large brownfield sites
  - increasing housing provision in accessible parts of outer London to help address the substantial housing need in these areas and deliver market homes in more affordable price brackets
  - providing opportunities for custom-build housing and community-led housing projects<sup>38</sup>
  - supporting town centre economies
  - as with large sites, providing opportunities to support the use of modern methods of construction.
- 4.2.3 The **one to 25-unit threshold** set out in [Policy H2 Small sites](#) which triggers the application of this policy is considered to be representative of small housing developments across London and for this reason differs

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<sup>38</sup> See [Glossary](#).

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from that used in Planning Practice Guidance<sup>39</sup> and the definition of 'major development' in planning legislation<sup>40</sup>.

- 4.2.4 The **small sites targets** in Table 4.2 are informed by the 2017 London SHLAA and show the potential capacity for additional housing on sites of less than 0.25 hectares in size. The targets are based on trends in housing completions on sites of this size and the estimated capacity for net additional housing supply from intensification in existing residential areas, taking into account PTAL, proximity to stations and town centres, and heritage constraints. The small sites targets are a component of, and not additional to, the overall housing targets.
- 4.2.5 **Incremental intensification** of existing residential areas within PTALs 3-6 and within 800m of a Tube station, rail station or town centre boundary is expected to play an important role in meeting the housing targets for small sites, particularly in outer London. This can take a number of forms including new build, infill development, conversions, demolition and redevelopment or extension of existing buildings, where this results in net additional housing provision. Within these areas, there is a need for the character of some neighbourhoods to evolve to accommodate additional housing. Therefore, the emphasis of decision-making should change from preserving what is there at the moment towards encouraging and facilitating the delivery of well-designed additional housing to meet London's needs.
- 4.2.6 The Mayor will set out **design principles** for small housing developments across London as part of his review of GLA design guidance, which boroughs should draw on and supplement when preparing design codes. Design codes can be combined with local development orders, where appropriate.
- 4.2.7 Special attention will be required within **conservation areas** to ensure that increased housing provision is accommodated in a way that also complements and enhances an area, taking into account conservation area character appraisals and management plans.

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<sup>39</sup> [DCLG, Planning Practice Guidance, Planning obligations, Paragraph: 031 Reference ID: 23b-031-20161116](#)

<sup>40</sup> The Town and Country Planning (Development Management Procedure) (England) Order 2010, Article 2

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**Table 4.2 - 10 year targets (2019/20 -2028/29) for net housing completions on small sites (below 0.25 hectares in size)**

<b>Planning Authority</b>	<b>Ten-year housing target</b>	<b>Annualised average</b>
Barking & Dagenham	5,190	519
Barnet	12,040	1204
Bexley	8,650	865
Brent	10,230	1023
Bromley	10,290	1029
Camden	3,760	376
City of London	740	74
Croydon	15,110	1511
Ealing	10,740	1074
Enfield	9,830	983
Greenwich	6,810	681
Hackney	6,600	660
Hammersmith & Fulham	2,980	298
Haringey	6,260	626
Harrow	9,650	965
Havering	9,040	904
Hillingdon	7,650	765
Hounslow	6,800	680
Islington	4,840	484
Kensington & Chelsea	1,690	169
Kingston	6,250	625
Lambeth	6,540	654
Lewisham	8,290	829
London Legacy Development Corporation	800	80
Merton	6,710	671
Newham	9,500	950
Old Oak Park Royal Development Corporation	60	6
Redbridge	9,380	938
Richmond	6,340	634
Southwark	8,000	800
Sutton	7,380	738
Tower Hamlets	5,660	566
Waltham Forest	8,890	889
Wandsworth	7,740	774
Westminster	5,290	529
<b>Total</b>	<b>245,730</b>	<b>24,573</b>



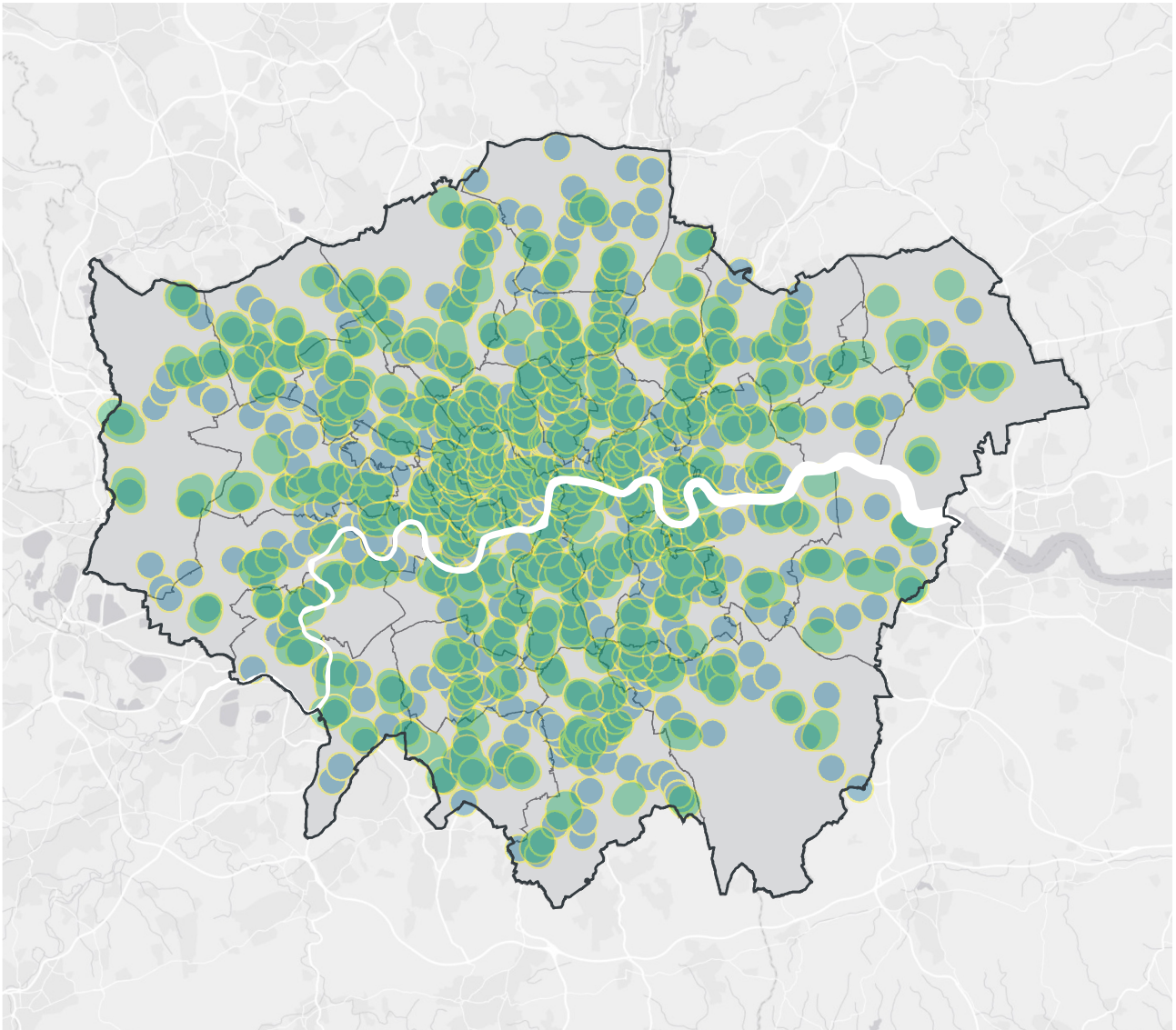
- 4.2.8 Small housing developments are envisaged to be within close proximity to existing homes. These should be carefully and creatively designed to avoid an unacceptable level of harm to the amenity of surrounding properties in relation to privacy, for example through the placement and design of windows and the use of landscaping. Environmental and architectural innovation should be supported and schemes should achieve **good design** and ensure that existing and proposed homes benefit from satisfactory levels of daylight and sunlight. All homes must meet the housing standards in Policy D4 Housing quality and standards, including the provision of private open space.
- 4.2.9 Loss of existing biodiversity or **green space**, as a result of small housing developments, should be mitigated through measures such as the installation of green roofs, the provision of landscaping that facilitates sustainable urban drainage, or off-site provision such as new street trees in order to achieve the principle of no net loss of overall green cover. Rainwater attenuation features should be incorporated to achieve greenfield run off rates.
- 4.2.10 Small sites can be particularly suitable for well-designed **community-led housing**<sup>41</sup> projects. Boroughs should support such projects where these developments are integrated with existing neighbourhoods and support mixed and inclusive communities.
- 4.2.11 Where the amalgamation of separate flats into larger homes is leading to the sustained loss of homes and is not meeting the identified requirements of large families, boroughs are encouraged to resist this process.
- 4.2.12 As demonstrated by the 2017 SHMA, London has significant unmet need for **affordable housing**. For some boroughs, sites of ten or fewer units are the main source of supply and play an important role in contributing to affordable housing delivery, often via cash in lieu contributions which are then used as part of borough-wide affordable housing programmes. Given the important role these sites play, the Mayor believes that boroughs should be capable of securing cash in lieu contributions for affordable housing contributions from such sites. Therefore, boroughs are encouraged to include policies requiring affordable housing from such sites of ten or fewer units in their Development Plans.

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<sup>41</sup> See Glossary.

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**Figure 4.3 - Proximity to town centres**



**Proximity to Town Centres  
Walking distance**

- 800m distance to a London Underground Station
- 800m distance to a Town Centre

Source: Transport for London (TfL)

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- 4.2.13 For practical reasons associated with on-site provision of a small number of affordable units (such as management), contributions on sites delivering ten or fewer units should be asked for as a **cash in lieu contribution**. Boroughs should have an identified programme through which additional affordable homes will be delivered. Flexibility should be allowed in the timing of payments in recognition of the distinct economics of small and medium-sized housebuilders and to reduce their up-front costs.

### Policy H3 Monitoring housing targets

- A The ten-year housing targets set out in Table 4.1 should be monitored in net terms taking into account homes lost through demolition or change of use.
  - B Net housing delivery on sites of less than 0.25 hectares should contribute towards achieving the small sites targets in Table 4.2.
  - C Net non-self-contained accommodation for students and shared living schemes should count towards meeting housing targets on the basis of a 3:1 ratio, with three bedrooms being counted as a single home.
  - D Net non-self-contained accommodation for older people (C2 use class) should count towards meeting housing targets on the basis of a 1:1 ratio, with each bedroom being counted as a single home.
- 4.3.1 The **annual averages** in Table 4.1 provide a benchmark for assessing the direction of travel towards ten-year housing targets both across London and by borough. There will inevitably be variations in completions from one year to the next, as well as a degree of uncertainty in the delivery and phasing of large sites. Therefore, the Mayor will monitor both housing completions and the net pipeline of approved homes when assessing progress towards delivering the London Plan housing targets (see Chapter 12 - Monitoring).
- 4.3.2 The Mayor will work closely with boroughs on their **housing trajectories** and Development Plans to ensure these targets are planned for effectively, particularly where issues are identified in terms of completions and the development pipeline.
- 4.3.3 Given that London Plan targets have increased significantly from the last London Plan to address housing need, it is the Mayor's view that the **Government's proposed housing delivery test** should not unfairly

penalise boroughs where housing delivery has been constrained due to factors that are outside their control. For example, where key allocations or approval sites are expected to make a significant contribution to housing targets but have stalled due to non-planning related reasons, or will come forward later in the 10-year period. Housing completions against the London Plan small sites target are also likely to increase over time, as Policy H2 Small sites is implemented, so this should be taken into account when monitoring housing delivery during the early years of the Plan. The approach to monitoring net housing provision from different forms of non-self-contained accommodation is based on the amount of self-contained housing this form of supply will free up<sup>42</sup>.

### Policy H4 Meanwhile use

Boroughs are encouraged to identify opportunities for the meanwhile use of sites for housing to make efficient use of land while it is awaiting longer-term development.

- 4.4.1 Meanwhile uses are a range of temporary uses on land and property awaiting longer-term development. Some vacant land is suitable for meanwhile use as housing. To make efficient use of land that would otherwise be left vacant, boroughs are encouraged to identify sites that are suitable for residential occupation to be used for **meanwhile housing** including land in both public and private ownership. Opportunities for the meanwhile use of land for housing on large-scale phased developments should be identified during the planning process. The meanwhile use of a site must not result in an unacceptable impact on residential amenity or prevent development sites from being brought forward for development in a timely fashion. Parameters for any meanwhile use, particularly its longevity and associated obligations, should be established from the outset and agreed by all parties.
- 4.4.2 Meanwhile housing can be provided in the form of **precision-manufactured homes**. This can reduce construction time and the units can potentially be reused at a later date on another site.
- 4.4.3 The **time period** for meanwhile uses will vary with site circumstances. Boroughs should consider starting the time period for the meanwhile use from the date of occupation rather than the date of planning permission,

<sup>42</sup> For more detail on this see the 2017 SHLAA report.

in order to support the viability and delivery of meanwhile housing developments.

### Policy H5 Delivering affordable housing

- A The strategic target is for 50 per cent of all new homes delivered across London to be affordable. Specific measures to achieve this aim include:
- 1) requiring residential and mixed-use developments to provide affordable housing through the threshold approach (Policy H6 Threshold approach to applications)
  - 2) using grant to increase affordable housing delivery beyond the level that would otherwise be provided
  - 3) affordable housing providers with agreements with the Mayor delivering at least 50 per cent affordable housing across their portfolio
  - 4) public sector land delivering at least 50 per cent affordable housing across its portfolio
  - 5) strategic partners with agreements with the Mayor aiming to deliver at least 60 per cent affordable housing across their portfolio.
- B Affordable housing should be provided on site in order to deliver communities which are inclusive and mixed by tenure and household income, providing choice to a range of Londoners. Affordable housing must only be provided off-site or as a cash in lieu contribution in exceptional circumstances.

4.5.1 **Delivering more affordable housing**<sup>43</sup> is a key strategic issue for London. Meeting the need for circa 43,500 affordable homes per year, as established in the Strategic Housing Market Assessment, will require an increase in affordable housing contributions from all sources. All schemes are expected to maximise the delivery of affordable housing and make the most efficient use of available resources. This is critical to enabling London to meet the housing needs of its workforce and maintain the function and resilience of the city.

<sup>43</sup> The Glossary provides the definition of affordable housing, this is consistent with the 2012 NPPF definition of affordable housing. Within this broad definition, sections 4.7.3 - 4.7.6 of this Plan set out the Mayor's preferred tenures.

- 4.5.2 Past approaches have not adequately met levels of housing need. To provide greater certainty, speed up the planning process and increase affordable housing delivery, the Mayor is adopting a **threshold approach to viability**. This means that schemes meeting or exceeding the threshold without public subsidy<sup>44</sup>, and consistent with the requirements in part C of Policy H6 Threshold approach to applications, are not required to submit viability information. The threshold approach was first introduced in the Mayor's Affordable Housing and Viability SPG. It provides the opportunity to move away from protracted viability debates, create certainty in terms of affordable housing requirements, embed the requirements into land values, and offer a clear incentive for developers to increase affordable housing delivered through the planning system above the level in planning permissions granted in recent years. Schemes that do not meet this threshold, or require public subsidy to do so, will be required to submit detailed viability information which will be scrutinised and treated transparently. Comprehensive review mechanisms will be applied to schemes that do not meet the relevant threshold as set out in part B of Policy H6 Threshold approach to applications, in order to ensure that affordable housing contributions are increased if viability improves over time.
- 4.5.3 Schemes are expected to deliver at least the threshold level of affordable housing without **grant or public subsidy** and to increase this proportion through the use of grant and other subsidy, where available. Only where there are clear barriers to delivery and it is fully justified through detailed viability evidence, in line with the methodology and assumptions set out in Policy H6 Threshold approach to applications and the Mayor's Affordable Housing and Viability SPG, should a lower level of affordable housing be considered.
- 4.5.4 Given the extent of housing need identified for affordable housing in the 2017 SHMA, the delivery of overall housing targets should not be relied on as a reason for reducing affordable housing delivery or other policy requirements, subject to the approach in this policy, Policy H6 Threshold approach to applications and Policy DF1 Delivery of the Plan and Planning Obligations. In previous years where there has been a relaxation in affordable housing and other planning requirements this has typically led to higher land values, rather than an increase in housing delivery. Whilst the Plan sets out a clear approach for significantly increasing housing

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<sup>44</sup> Public subsidy includes grant, public loans (including the Mayor's London Housing Bank) and any public land at a reduced cost.

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delivery in London, the London SHMA has identified that 65 per cent of London's need is for affordable housing. Therefore, it is crucial that residential and mixed-use development contributes directly towards the provision of affordable housing and other policy requirements that support the delivery of sustainable development.

- 4.5.5 Affordable housing should be delivered on site to help deliver mixed and inclusive communities. Affordable housing should only be accepted as an **off-site** contribution in exceptional circumstances where it can be robustly demonstrated that affordable housing cannot be delivered on-site or where an off-site contribution would better deliver mixed and inclusive communities than an on-site contribution.
- 4.5.6 **Cash in lieu** contributions should be used in even more limited circumstances<sup>45</sup>, and only where there is detailed evidence to demonstrate that on-site affordable housing delivery is not practical, off-site options have been explored but are not acceptable and that accepting a cash in lieu contribution will not be detrimental to the delivery of mixed and inclusive communities.
- 4.5.7 In each case, the approach must result in **additional affordable homes**, meaning the funding should not be used for affordable units that would otherwise have been delivered. It should also take account of the fact that all sites are expected to deliver at least the threshold level of affordable housing and any cash in lieu or off-site contribution should deliver units in addition to this.
- 4.5.8 Cash in lieu contributions should be held in a **separate affordable housing pot**, where resources can be pooled and ring-fenced to enable greater, or more appropriate, new provision to be made off-site. This should either be on an identified site or as part of an agreed programme, in compliance with the statutory tests for use of planning obligations<sup>46</sup>.
- 4.5.9 To avoid incentivising off-site provision or in lieu contributions, agreements for this should provide no financial benefit to the applicant relative to on-site provision and should include **review mechanisms** in line with the Viability Tested Route. The policy target for schemes delivering off-site affordable housing or in lieu contributions is 50 per cent

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<sup>45</sup> For exceptions see part F of [Policy H2 Small sites](#) and [Policy H18 Large-scale purpose-built shared living](#).

<sup>46</sup> Community Infrastructure Levy Regulations 2010 (SI 2010 No 948), Regulation 122(2). Crown Copyright, 2010

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affordable housing provided across the main site and any linked sites when considered as a whole.

- 4.5.10 Boroughs must have in place **monitoring arrangements** to ensure that the additional homes are delivered. As per Policy H8 Monitoring of affordable housing, the Mayor requires information on off-site and cash in lieu delivery as part of the data collection for the Annual Monitoring Report.

### Policy H6 Threshold approach to applications

- A The threshold approach applies to development proposals which are capable of delivering more than ten units or which have a combined floor space greater than 1,000 sqm (see paragraph 4.6.14 for exclusions to the threshold approach and 4.6.15 for scheme types with bespoke approaches).
- B The threshold level of affordable housing is initially set at:
- 1) a minimum of 35 per cent
  - 2) 50 per cent for public sector land
  - 3) 50 per cent for Strategic Industrial Locations, Locally Significant Industrial Sites and other industrial sites deemed appropriate to release for other uses (see Policy E7 Intensification, co-location and substitution of land for industry, logistics and services to support London's economic function).

The 35 per cent threshold will be reviewed in 2021 and if appropriate increased through Supplementary Planning Guidance.

- C To follow the Fast Track Route of the threshold approach, applications must meet all the following criteria:
- 1) meet or exceed the relevant threshold level of affordable housing on site without public subsidy
  - 2) be consistent with the relevant tenure split (Policy H7 Affordable housing tenure)
  - 3) meet other relevant policy requirements and obligations to the satisfaction of the borough and the Mayor where relevant
  - 4) demonstrate that they have taken account of the strategic 50 per cent target in Policy H5 Delivering affordable housing and have sought grant where required to increase the level of affordable housing beyond 35 per cent.

- D Fast tracked applications are not required to provide a viability assessment at application stage. To ensure an applicant fully intends to build out the permission, the requirement for an Early Stage Viability Review will be triggered if an agreed level of progress on implementation is not made within two years of the permission being granted (or a period agreed by the borough).
- E Where an application does not meet the requirements set out in part C it must follow the **Viability Tested Route**. This requires detailed supporting viability evidence to be submitted in a standardised and accessible format as part of the application:
- 1) the borough, and where relevant the Mayor, should scrutinise the viability information to ascertain the maximum level of affordable housing using the methodology and assumptions set out in this Plan and the Affordable Housing and Viability SPG
  - 2) viability tested schemes will be subject to:
    - a) an Early Stage Viability Review if an agreed level of progress on implementation is not made within two years of the permission being granted (or a period agreed by the borough)
    - b) a Late Stage Viability Review which is triggered when 75 per cent of the units in a scheme are sold or let (or a period agreed by the borough)
    - c) Mid Term Reviews prior to implementation of phases for larger phased schemes.
- F Where a viability assessment is required to ascertain the maximum level of affordable housing deliverable on a scheme, the assessment should be treated transparently and undertaken in line with the Mayor's Affordable Housing and Viability SPG.

### **Scheme amendments – Section 73 applications and deeds of variations**

- G For schemes that were approved under the Fast Track Route, any subsequent applications to vary the consent will not be required to submit viability information, providing the resultant development continues to meet the relevant threshold and the criteria in part C.
- H For schemes where the original permission did not meet the threshold or required tenure split, viability information will be required where an application is submitted to vary the consent and this would alter the



economic circumstances of the scheme. Such cases will be assessed under the Viability Tested Route.

- I Any proposed amendments that result in a reduction in affordable housing, affordability or other obligations or requirements of the original permission should be rigorously assessed under the Viability Tested Route. In such instances, a full viability review should be undertaken that reconsiders the value, costs, profit requirements and land value of the scheme.
  - J The Mayor should be consulted on any proposed amendments on referable schemes that change the level of affordable housing from that which was secured through the original planning permission.
- 4.6.1 Applicants are strongly encouraged to take the **Fast Track Route** by providing the threshold level of affordable housing and meeting other Development Plan requirements to the satisfaction of the borough.
- 4.6.2 The **Viability Tested Route** will assess the maximum level of affordable housing that a scheme can deliver in cases where the threshold level of affordable housing cannot be met and where fixed or minimum affordable housing requirements are not in place. It is possible that, via the viability assessment using the detailed methodology in the SPG, a greater affordable housing contribution than the threshold level will be found to be viable and thus will be required.
- 4.6.3 The percentage of affordable housing on a scheme should be measured in **habitable rooms** to ensure that a range of sizes of affordable homes can be delivered, including family-sized homes. Habitable rooms in affordable and market elements of the scheme should be of comparable size when averaged across the whole development. If this is not the case, it may be more appropriate to measure the provision of affordable housing using **habitable floorspace**. Applicants should present affordable housing figures as a percentage of total residential provision in habitable rooms, units and floorspace to enable comparison.
- 4.6.4 The thresholds set out in this policy have been informed by viability testing. This approach seeks to **embed affordable housing requirements into land values** and create consistency and certainty across London. The 35 per cent threshold level will be reviewed in 2021 to determine whether this threshold should be increased. Any changes to the threshold will be consulted on as part of an updated Affordable Housing and Viability SPG.



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- 4.6.5 The Mayor recognises that **public sector land** can play a significant role in meeting affordable housing need. The threshold for public sector land (land that is owned or in use by a public sector organisation, or company or organisation in public ownership, or land that has been released from public ownership and on which housing development is proposed) is set at 50 per cent to be considered under the Fast Track Route. This is because these sites represent an opportunity to meet a range of objectives, including making better use of sites, improving services and delivering more affordable housing. Moreover, as public assets, these landholdings should be used to deliver development and outcomes that are most needed by – and matter most to – the public. Public sector land also represents an opportunity to deliver homes that can meet the needs of London’s essential workers who maintain the function and resilience of the city, such as those working in health, fire, police, transport and support services. Where there is an agreement with the Mayor to deliver at least 50 per cent across the portfolio of sites, then the 35 per cent threshold should apply to individual sites.
- 4.6.6 Given the difference in values between industrial and residential development, where Strategic Industrial Locations, Locally Significant Industrial Sites or other industrial sites are deemed acceptable for release (see [Policy E7 Intensification, co-location and substitution of land for industry, logistics and services to support London’s economic function](#)), they are expected to deliver a higher level of affordable housing. If this is not possible, detailed viability evidence will be needed to justify a lower level of affordable housing. Therefore, to follow the Fast Track Route **industrial sites** will need to meet the 50 per cent threshold.
- 4.6.7 Where the level of affordable housing offered meets the criteria of part C of Policy H6, this should normally be considered as meeting the maximum amount of affordable housing which can be delivered through Section 106 (subject to an Early Stage Review Mechanism).
- 4.6.8 Where a scheme meets the threshold level of affordable housing, but the borough, and/or the Mayor where relevant, are not satisfied that the other relevant Development Plan requirements and or obligations for the scheme are met, then the applicant can be asked to provide detailed viability information and be required to follow the Viability Tested Route.
- 4.6.9 All schemes are expected to maximise the delivery of genuinely affordable housing and make the most efficient use of available resources to achieve this objective. Where **grant or other public subsidy** is available and would increase the proportion of affordable housing, this should be utilised.
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The higher proportion of affordable housing should be set out in the Section 106 agreement as being subject to grant availability, alongside the proportion viable without grant. Funding will be available on a tariff basis, details of which are set out in the Mayor's Homes for Londoners: Affordable Homes Programme 2016-21<sup>47</sup>. Applications for schemes of 150 units or more must evidence that they have sought grant to increase levels of affordable housing. Generally, this will be through evidenced discussions with the local authority and registered providers of social housing. Further detail is provided in the Affordable Housing and Viability SPG.

- 4.6.10 The Mayor has provided detailed **guidance on viability assessments** in his Affordable Housing and Viability SPG. This is a material planning consideration for planning applications in London. The Mayor will follow this guidance on referable applications and strongly encourages boroughs to follow it for all applications. Providing a standardised approach helps streamline the system and reduces uncertainty. The aim of a viability assessment is to establish whether the proposed level of affordable housing and other contributions are the maximum that can be reasonably supported or whether further obligations or a greater level of policy compliance could be achieved.
- 4.6.11 The **Existing Use Value Plus (EUV+)** approach to determining the benchmark land value is based on the current use value of a site plus an appropriate site premium. The benefit of this approach is that it clearly identifies the uplift in value arising from the grant of planning permission because it enables comparison with the value of the site without planning permission. The EUV+ approach is usually the most appropriate approach for planning purposes. It can be used to address the need to ensure that development is sustainable in terms of the NPPF and Development Plan requirements, and in most circumstances the Mayor will expect this approach to be used. An alternative approach should only be considered in exceptional circumstances which must be robustly justified by the applicant and/or the borough in line with the Mayor's SPG.
- 4.6.12 Viability Review mechanisms should be applied to all viability tested applications at early and late stages in the development process (and mid-term reviews in the case of longer phased schemes) to ensure that affordable housing delivery is maximised as a result of any future improvement in viability. Further guidance is provided in the Affordable Housing and Viability SPG.

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<sup>47</sup>

<https://www.london.gov.uk/file/11941201>.

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- 4.6.13 In Opportunity Areas, boroughs may want to consider applying a **localised affordable housing threshold** for the Fast Track Route or fixed affordable housing requirements. This approach could help provide certainty to developers and land owners and help prevent land price rises based on hope value. Localised affordable housing thresholds, or fixed affordable housing requirements should increase the affordable housing provision beyond 35 per cent where possible. Boroughs may also consider a local approach in terms of tenure mix. The London Plan threshold approach will apply in Opportunity Areas where a local approach has not been progressed.
- 4.6.14 Some schemes are not suitable to follow the Fast Track Route. These schemes must follow the **Viability Tested Route**. This includes:
- applications which propose affordable housing **off-site or a cash in lieu contribution** (as set out above)
  - applications for schemes that involve the **demolition of existing dwellings** which should follow the approach set out in Policy H10 Redevelopment of existing housing and estate regeneration
  - schemes claiming the **vacant building credit** (see Policy H9 Vacant building credit).
- 4.6.15 The approach for Build to Rent schemes, where they meet the definition, is set out Policy H13 Build to Rent.
- 4.6.16 Policy H15 Specialist older persons housing, Policy H17 Purpose-built student accommodation and Policy H18 Large-scale purpose-built shared living set out specific affordable housing approaches in those types of development.

## Policy H7 Affordable housing tenure

- A The Mayor is committed to delivering genuinely affordable housing. The following split of affordable products should be applied to development:
- 1) a minimum of 30 per cent low cost rented homes, allocated according to need and for Londoners on low incomes (Social Rent/ London Affordable Rent)
  - 2) a minimum of 30 per cent intermediate products which meet the definition of affordable housing, including London Living Rent and London Shared ownership

- 3) 40 per cent to be determined by the relevant borough based on identified need, provided they are consistent with the definition of affordable housing.

These minimums will be reviewed in 2021, and if necessary, updated through Supplementary Planning Guidance.

- B Only schemes delivering the threshold level of affordable housing with a tenure split that meets the requirements set out in part A can follow the Fast Track Route for viability.

- 4.7.1 As Table 4.3 demonstrates, the SHMA shows London's significant need for low cost rental housing, however, the current national funding programme is focused on intermediate products which limits the Mayor's ability to require higher levels of low-cost rented accommodation. The **tenure splits** set out in Policy H7 Affordable housing tenure provide sufficient flexibility to be tailored to meet local needs as well as ensuring that new development delivers a minimum level of low-cost rented accommodation and intermediate accommodation, contributing to the delivery of mixed and inclusive communities. These minimums will be reviewed in 2021 and, if necessary, updated through Supplementary Planning Guidance, taking account of future affordable housing funding agreements.
- 4.7.2 There is a presumption that the **40 per cent to be decided by the borough** will focus on Social Rent/ London Affordable Rent given the level of need for this type of tenure across London. However, it is recognised that for some boroughs a broader mix of affordable housing tenures will be more appropriate either because of viability constraints or because they would deliver a more mixed and inclusive community. The appropriate tenure split should be determined through the Development Plan process or through supplementary guidance.

**Table 4.3 - 2017 SHMA findings**

Tenure	1bed	2bed	3bed	4+bed	Total	% of total
Market	10,682	2,043	4,101	6,210	23,037	35%
Intermediate	4,334	3,434	2,409	1,693	11,869	18%
Low-cost rent	21,318	5,311	2,462	1,881	30,972	47%
<b>Total</b>	<b>36,335</b>	<b>10,788</b>	<b>8,971</b>	<b>9,783</b>	<b>65,878</b>	<b>100%</b>
<b>% of total</b>	<b>55%</b>	<b>16%</b>	<b>14%</b>	<b>15%</b>	<b>100%</b>	

4.7.3 Within the broad definition of affordable housing<sup>48</sup>, the Mayor's **preferred affordable housing tenures** are:

- London Affordable Rent
- London Living Rent
- London Shared Ownership.

These are described in more detail below.

4.7.4 **London Affordable Rent** is rent for households on low income with the rent level based on social rent levels. The NPPF defines affordable rent as up to 80 per cent of market rent, however, to ensure rents in London are genuinely affordable, the Mayor expects rents charged for homes let for London Affordable Rent to be set at benchmarks substantially below this level, based on traditional social rents. More detail is contained within the Mayor's Homes for Londoners Affordable Homes Programme 2016-21 funding guidance. These homes will be allocated in accordance with need (based on the borough's allocations policy).

4.7.5 **London Living Rent** (LLR) offers Londoners on average incomes a lower rent, enabling them to save for a deposit. The Mayor is introducing LLR as an intermediate affordable housing product with low rents that vary by ward across London. Where funded by the Greater London Authority, LLR will be a Rent to Buy product, with sub-market rents on time-limited tenancies, which will help households on average income levels to save for a deposit. As London Living Rent can be a step to homeownership, it can be considered as an affordable homeownership product<sup>49</sup>.

<sup>48</sup> See the Glossary for broad definition of affordable housing which is consistent with the 2012 NPPF.

<sup>49</sup> Further details on LLR can be found in the London Housing Strategy, draft for public consultation.

- 4.7.6 **London Shared Ownership** is an intermediate ownership product which allows London households who would struggle to buy on the open market, to purchase a share in a new home and pay a low rent on the remaining, unsold, share.
- 4.7.7 **Other affordable housing products** may be acceptable if, as well as meeting the broad definition of affordable housing, they also meet the draft London Housing Strategy<sup>50</sup> definition of genuinely affordable housing and are considered by the borough to be genuinely affordable.
- 4.7.8 Currently all intermediate rented products such as London Living Rent and Discounted Market Rent should be affordable to households on incomes of up to £60,000. Intermediate ownership products such as London Shared Ownership and Discounted Market Sale (where they meet the definition of affordable housing), should be affordable to households on incomes of up to £90,000. Further information on the income caps and how they are applied can be found in the Annual Monitoring Report. The caps will be reviewed and updated where necessary in the Annual Monitoring Report.
- 4.7.9 For dwellings to be considered affordable, annual housing costs, including mortgage (assuming reasonable interest rates and deposit requirements), rent and service charge, should be no greater than 40 per cent of net household income, based on the household income limits set out above. Boroughs should seek to ensure that intermediate provision provides for households with a range of incomes below the upper limit.
- 4.7.10 In addition to the income caps, boroughs may set **other eligibility criteria** for the intermediate units, reflecting local housing need. However, any local criteria including income caps below the maximum amounts set out above, should automatically cascade out to the London-wide eligibility criteria within three months to ensure that units are not left vacant. Re-sales and re-lets should be available to those meeting the London-wide income caps and not be restricted by local eligibility criteria. Homes should be made available through the new Homes for Londoners online portal.
- 4.7.11 To follow the Fast Track Route, the threshold level of affordable housing must adhere to the **tenure split** set out in [Policy H7 Affordable housing tenure](#). Where a scheme is delivering more than the threshold, the tenure of the additional affordable housing (above the threshold) is flexible and should be agreed between the borough, Registered Provider and applicant.

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<sup>50</sup> Mayor of London, September 2017, London Housing Strategy, draft for public consultation

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- 4.7.12 If, when assessing a scheme under the Viability Tested Route, the evidence demonstrates that the threshold cannot be met, the affordable housing tenure split in Policy H7 Affordable housing tenure should be considered as the starting point for negotiations. It will, however, be for the borough, and the Mayor where relevant, to decide if there should be a greater number of affordable homes, or fewer homes at a deeper discount. Therefore Section 106 agreements should stipulate the tenure mix for a scheme and this should be consistent with the assumptions in the viability assessment.
- 4.7.13 To incentivise schemes that are largely or entirely affordable housing, schemes that propose 75 per cent or more affordable housing, consistent with the glossary definition of affordable housing, may be considered under the Fast Track Route whatever the affordable housing tenure mix as long as the tenure and type of home are supported by the borough and, where relevant, the Mayor, as being genuinely affordable. This should be determined on a case-by-case basis having regard to the housing need met by the scheme and the level of public subsidy involved.

### Policy H8 Monitoring of affordable housing

- A Boroughs are required to have clear monitoring processes to ensure that the affordable housing secured on or off site is delivered in line with the Section 106 agreement.
- B Monitoring processes should ensure that any cash in lieu payments are used to deliver additional affordable housing.
- C Boroughs should ensure that where a review mechanism is triggered, it is implemented and the number of extra homes delivered, or cash in lieu secured is recorded.
- D Boroughs must publish monitoring information on A-C annually to ensure transparency in the planning process and so the public know how funds are being spent. This information should be shared with the GLA so it can be part of the annual monitoring process.



- 4.8.1 Policy H5 Delivering affordable housing, Policy H6 Threshold approach to applications and Policy H7 Affordable housing tenure set out the approach to affordable housing delivery in London. It is crucial that the implementation of Section 106 agreements and the outcome of review mechanisms are monitored. Policy H8 Monitoring of affordable housing will ensure that boroughs have **monitoring processes** in place to implement Section 106 agreements and that the information is in the public domain.

### Policy H9 Vacant building credit

- A The Vacant Building Credit is unlikely to bring forward additional development in London, therefore in most circumstances, its application will not be appropriate in London. However, there may be some limited circumstances where the credit would, in line with the intention of the credit, provide an incentive for development on sites containing vacant buildings that would not otherwise come forward for development. As part of assessing whether this is the case, decision-makers are advised to take account of the criteria below as well as locally-specific factors influencing the site.
- B In the limited circumstance where a borough feels the credit should be applied, boroughs are advised to consider applying the credit only where all of the following criteria are met:
- 1) the building is not in use at the time the application is submitted
  - 2) the building is not covered by an extant or recently expired permission
  - 3) the site is not protected for alternative land use
  - 4) the building has not been made vacant for the sole purpose of redevelopment.
- C To demonstrate that a building has not been made vacant for the sole purpose of redevelopment, an applicant will be required to demonstrate that it has been vacant for a continuous period of at least five years before the application was submitted and will also be required to provide evidence that the site has been actively marketed for at least two of those five years at realistic prices.



- 4.9.1 In 2014 the Government introduced a **Vacant Building Credit** (VBC), which applies to sites where a vacant building is brought back into any lawful use, or is demolished to be replaced by a new building. The VBC reduces the requirement for affordable housing contributions based on the amount of vacant floor space being brought back into use or redeveloped. This has significant implications for delivery of affordable housing in London where a high proportion of development is on brownfield land where there are existing buildings.
- 4.9.2 Decision-makers are encouraged to take account of: the current need for affordable housing in London (both at the local and strategic level); the rate of past delivery against local and strategic targets; the requirement of the NPPF to seek to meet objectively assessed need; the fact that brownfield sites come forward for development without such an incentive; and that procedures are already in place for considering the viability of development where there are barriers to delivery.
- 4.9.3 It should be noted that if an applicant is claiming that the scheme qualifies for VBC, it cannot also claim Community Infrastructure Levy relief through the vacancy test.
- 4.9.4 Further guidance is provided in the Affordable Housing and Viability SPG.

### Policy H10 Redevelopment of existing housing and estate regeneration

- A Loss of existing housing is generally only acceptable where the housing is replaced at existing or higher densities with at least the equivalent level of overall floorspace. This includes the loss of hostels, staff accommodation, and shared and supported accommodation that meet an identified housing need, unless the existing floorspace is satisfactorily re-provided to an equivalent or better standard.
- B Where loss of existing affordable housing is proposed, it should not be permitted unless it is replaced by equivalent or better quality accommodation, providing at least an equivalent level of affordable housing floorspace, and generally should produce an uplift in affordable housing provision. All such schemes are required to follow the Viability Tested Route (see [Policy H6 Threshold approach to applications](#)).
- C For estate regeneration schemes the existing affordable housing floorspace should be replaced on an equivalent basis i.e. where social

rented floorspace is lost, it should be replaced by general needs rented accommodation with rents at levels based on that which has been lost, and the delivery of additional affordable housing should be maximised. All schemes should follow the Viability Tested Route (see [Policy H6 Threshold approach to applications](#)).

- 4.10.1 The **regeneration and intensification** of London's housing areas has been, and will continue to be, a key part of the evolution of London, and critical to meeting its housing needs. It is important that existing homes of all tenures are well-maintained and are of good quality as these will continue to be the bulk of London's housing stock<sup>51</sup>.
- 4.10.2 The **aims of an estate regeneration project** will typically fall into three broad categories. These are:
- maintaining good quality homes
  - maintaining safe and good quality homes
  - improving the social, economic and physical environment in which homes are located.
- 4.10.3 In some cases, regeneration will include the loss and replacement of homes and it is important that any such scheme is delivered with existing and new residents and communities in mind. This is particularly pertinent for estate regeneration, and any proposals for such schemes should take account of the requirements of the **Mayor's Good Practice Guide**.
- 4.10.4 It is important to ensure that estate regeneration does not lead to the loss of affordable housing and that it delivers an **uplift in affordable housing** where possible. All estate regeneration schemes should go through the Viability Tested Route and maximise the delivery of any additional affordable housing. For the purposes of this policy, existing affordable housing floorspace includes both occupied and vacant floorspace.
- 4.10.5 Where a borough is redeveloping an estate as part of a **wider programme** then it may be possible to re-provide a different mix of affordable housing on the estate (taking account of the wishes of people who want to return to the estate) if the overall level of provision is maintained across the programme, (further guidance is provided in the Affordable Housing and

<sup>51</sup> The Mayor's latest Housing Strategy can be found at <https://www.london.gov.uk/what-we-do/housing-and-land>

Viability SPG). Where this is proposed, the Mayor will closely scrutinise proposals and will only agree to them where he is certain that the housing is being genuinely re-provided and that no better option is available. Given the impact of estate regeneration schemes on existing residents, it is particularly important that information about the viability of schemes is available to the public even where a high level of affordable housing is being delivered.

### Policy H11 Ensuring the best use of stock

- A Boroughs should promote efficient use of existing stock by using all the tools available to reduce the number of vacant dwellings.
- B The Mayor will support boroughs with identified issues of homes being left empty as 'buy to leave' properties to put in place mechanisms which seek to ensure stock is occupied.
- C Boroughs should take account of the impact on the housing stock of applications for homes to be used as holiday rentals for more than 90 days a year.

- 4.11.1 Given the pressure for housing and competition for land in London for a variety of uses, it is important to ensure that new homes meet an identified need and are not left vacant long term (over six months). While the numbers of **long-term vacant properties** in London has decreased significantly and is now below one per cent of the housing stock<sup>52</sup>, to make best use of existing stock, where vacant properties are identified, local authorities should investigate why the units are vacant and where possible seek to bring them back into use. Boroughs are encouraged to use all the tools at their disposal such as Empty Dwelling Management Orders to bring long-term vacant stock back into use as affordable housing.
- 4.11.2 In addition, the use of dwellings as short-term **holiday rentals** can have a significant impact on the supply of homes in an area that are available for people to live in. Homes should not be used as short-term holiday rented accommodation for a cumulative period of more than 90 days a year without seeking planning permission.

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<sup>52</sup> Table 615 from <https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>

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## Policy H12 Housing size mix

- A To determine the appropriate mix of unit sizes in relation to the number of bedrooms for a scheme, applicants and decision-makers should have regard to:
- 1) the range of housing need and demand identified by the London Strategic Housing Market Assessment and, where relevant, local assessments
  - 2) the requirement to deliver mixed and inclusive neighbourhoods
  - 3) the need to deliver a range of unit types at different price points across London
  - 4) the mix of uses in the scheme
  - 5) the range of tenures in the scheme
  - 6) the nature and location of the site, with a higher proportion of one and two bed units generally more appropriate in more central or urban locations
  - 7) the aim to optimise housing potential on sites
  - 8) the ability of new development to reduce pressure on conversion and sub-division of existing stock
  - 9) the role of one and two bed units in freeing up family housing
  - 10) the potential for custom-build and community-led housing schemes.
- B Generally, schemes consisting mainly of one-person units and/or one-bedroom units should be resisted.
- C Boroughs should not set prescriptive dwelling size mix requirements (in terms of number of bedrooms) for market and intermediate homes.
- D For low cost rent, boroughs should provide guidance on the size of units required (by number of bedrooms) to ensure affordable housing meets identified needs. This guidance should take account of:
- 1) the criteria set out in part A
  - 2) the local and strategic need for affordable family accommodation
  - 3) local issues of overcrowding
  - 4) the impact of welfare reform
  - 5) the cost of delivering larger units and the availability of grant.

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- 4.12.1 Table 4.3 shows the mix of homes identified in the London 2017 Strategic Housing Market Assessment.
- 4.12.2 Policy H12 Housing size mix sets out all the issues that applicants and boroughs should take into account when considering the **mix of homes on a site**. Boroughs should not set policies or guidance that require set proportions of different-sized (in terms of number of bedrooms) market or intermediate units to be delivered. Such policies are inflexible, often not implemented effectively and generally do not reflect the optimum mix for a site taking account of all the factors set out in part A of Policy H12 Housing size mix. Moreover, they do not necessarily meet the identified need for which they are being required; for example, larger units are often required by boroughs in order to meet the needs of families but many such units are instead occupied by sharers. In addition, local and strategic housing need figures for market homes will be heavily influenced by the assumptions made in the assessment about the level of under-occupation in the private sector. It should be noted that in terms of delivering mixed and inclusive communities, a neighbourhood may currently have an over-concentration of a particular size of unit and a new development could help redress the balance.
- 4.12.3 **Family units** have historically been considered to be those consisting of three or more bedrooms. However, as many families do live in two-bedroom units this should be taken into account when assessing the needs that different sized units can meet (in terms of bedrooms) and the design and approach to management of a development both for market and affordable housing.
- 4.12.4 Well-designed **one- and two- bedroom units** in suitable locations can also attract those wanting to downsize from their existing homes, and this ability to free up existing family stock should be considered when assessing the unit mix of a new build development.
- 4.12.5 While **one-bedroom units** play a very important role in meeting housing need, and provision in new developments can help reduce the pressure to convert and subdivide existing larger homes, one-person and one-bed units are the least flexible unit type. Thus, unless supported by the borough as meeting an identified need, schemes consisting of over 10 units which mainly comprise of one-person/one-bed units should be avoided to ensure that there is a mix of unit sizes. Specific guidance on large-scale purpose-built shared living schemes can be found in Policy H18 Large-scale purpose-built shared living.
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- 4.12.6 As part of their housing strategy functions, local authorities are required to have an understanding of housing needs in their area and this, along with their local Housing Register, will provide the evidence for the **size of affordable homes** (in terms of number of bedrooms) required to meet identified need. Combined with the considerations set out in part A of Policy H12 Housing size mix, this information should inform local policy or guidance about the size (in terms of number of bedrooms) of low-cost rented units expected on a development. This clarity about the unit size mix for affordable homes, taken together with the threshold approach to affordable housing, will help ensure applicants and landowners understand the cost implications of overall affordable housing requirements when formulating development proposals and purchasing land. Boroughs should take account of the availability of grant funding when producing guidance or policy on this issue.
- 4.12.7 **Houses in multiple occupation** (HMOs) are an important part of London's housing offer, reducing pressure on other elements of the housing stock. Their quality can, however, give rise to concern. Where they are of a reasonable standard they should generally be protected and the net effects of any loss should be reflected in Annual Monitoring Reports. In considering proposals which might constrain this provision, including Article 4 Directions affecting changes between Use Classes C3 and C4, boroughs should take into account the strategic as well as local importance of HMOs.

### Policy H13 Build to Rent

- A To recognise that the Build to Rent development model differs from a traditional for sale scheme and the potential role it can play in accelerating delivery, where a development meets the criteria set out below, the affordable housing offer can be solely Discounted Market Rent at a genuinely affordable rent, preferably London Living Rent level. Affordable housing should be secured in perpetuity.

- B To qualify as a Build to Rent scheme within the context of this policy, all the following criteria must be met:
- 1) the development, or block or phase within the development has at least 50 units<sup>53</sup>
  - 2) the homes are held as Build to Rent under a covenant for at least 15 years<sup>54</sup>
  - 3) a clawback mechanism is in place to recoup additional affordable housing contributions in the event of the covenant being broken
  - 4) all the units are self-contained and let separately
  - 5) there is unified ownership and unified management of the development
  - 6) longer tenancies (three years or more) are available to all tenants. These should have break clauses for renters, which allow the tenant to end the tenancy with a month's notice any time after the first six months
  - 7) the scheme offers rent certainty for the period of the tenancy, the basis of which should be made clear to the tenant before a tenancy agreement is signed, including any annual increases which should always be formula-linked
  - 8) there is on-site management, this does not necessarily mean full-time dedicated on-site staff, but all schemes need to have systems for prompt resolution of issues and some daily on-site presence
  - 9) providers have a complaints procedure in place and are a member of a recognised ombudsman scheme
  - 10) providers do not charge up-front fees of any kind to tenants or prospective tenants, other than deposits and rent-in-advance.
- C For Build to Rent schemes to follow the Fast Track Route they must deliver at least 35 per cent affordable housing, of which at least 30 per cent should be at London Living Rent Level, with the remainder being at a range of discounts below market rent to be agreed with the borough

<sup>53</sup> Boroughs may set their own thresholds to reflect local housing market circumstances and affordable housing need. However, it is important that where a lower threshold is set, Build to Rent schemes must still operate according to the stipulations in this guidance in order to qualify for the application of the Built to Rent policy.

<sup>54</sup> Covenant periods are expected to increase as the market matures.

and/or the Mayor where relevant. Schemes must also meet all other requirements of part C of Policy H6 Threshold approach to applications. This threshold and affordable housing tenure split, will be reviewed and if necessary updated in 2021, through Supplementary Planning Guidance.

- D Where the requirements of C above are not met, schemes must follow the Viability Tested Route set out in Policy H6. Viability assessments on such schemes should take account of the differences between Build to Rent and Build for Sale development and be undertaken in line with the Affordable Housing and Viability SPG.
- E On schemes that propose a proportion of homes as Build to Rent and a proportion for sale to the market, part A of this policy will only be suitable for the Build to Rent element. The scheme should be assessed as a whole, with affordable housing calculated as a proportion of total habitable rooms across the scheme.

- 4.13.1 The planning system should take a **positive approach to the Build to Rent sector** to enable it to better contribute to the delivery of new homes. Build to Rent developments can make a positive contribution to increasing housing supply and are beneficial in a number of ways. They can:
- attract investment into London’s housing market that otherwise would not exist
  - accelerate delivery on individual sites as they are less prone to ‘absorption constraints’<sup>55</sup> on build-out rates
  - deliver more readily across the housing market cycle as they are less impacted by house price downturns
  - provide a more consistent and at-scale demand for off-site manufacture
  - offer longer-term tenancies and more certainty over long-term availability
  - ensure a commitment to, and investment in, place-making through single ownership
  - provide better management standards and better quality homes than much of the mainstream private rented sector.

<sup>55</sup> The absorption rate is how long it will take a home to sell or be let for the identified price. The main constraint on absorption is the number of buyers or renters in the market willing (or able) to buy or rent the property at the identified price.



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- 4.13.2 The **Build to Rent** Policy has been developed in recognition of the fact that Build to Rent operates a different model to Build for Sale. Build to Rent relies on income through rent over a number of years, rather than an upfront return on sales (this is often referred to as the 'distinct economics' of the sector). Because of this, in some circumstances Build to Rent may not be able to compete for land on an equal footing with speculative Build for Sale, as it may generate lower initial land values. Longer term however, Build to Rent is an attractive offer to institutional investors. This policy provides a specific approach to the affordable housing offer, where the aim is to maintain the integrity of the Build to Rent development, with unified ownership and management of all the homes
- 4.13.3 Where a developer is proposing a Build to Rent development which meets the definition set out in [Policy H13 Build to Rent](#), the affordable housing offer can be entirely **Discounted Market Rent** (DMR), managed by the Build to Rent provider and delivered without grant, i.e. entirely through planning gain. As it is not a requirement to be a local authority or a Registered Provider to deliver or manage intermediate rented homes that are delivered without grant, these units can be owned and/or managed by Build to Rent landlords themselves. DMR units should be fully integrated into the development with no differences between DMR and market units.
- 4.13.4 The Mayor's strong preference is for DMR homes to be let at **London Living Rent** level, to ensure city-wide consistency in approach. Unlike other DMR products, London Living Rent has an advantage in that it has a London-wide electoral mandate, can be consistently understood and applied across London, can earn the public's trust as being genuinely affordable, and will be backed by the GLA who will uprate it every year.
- 4.13.5 A threshold level of affordable housing has been introduced to provide an opportunity for Built to Rent schemes to take advantage of the Fast Track Route offered to Build for Sale schemes.
- 4.13.6 To follow the **Fast Track Route** at least 30 per cent of the affordable housing must be let at London Living Rent levels. The remainder should be provided at a range of discounts below market rent based on local need to be agreed with the borough and Mayor where relevant, for example with half of remaining units at 50 per cent and half at 70 per cent of market rents.
- 4.13.7 Proposals that do not provide 35 per cent affordable housing at the required discount to market rents or that do not meet the criteria of part C of [Policy H6 Threshold approach to applications](#) will be subject to the
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**Viability Tested Route** under part E of Policy H6 Threshold approach to applications.

- 4.13.8 In all cases the borough must ensure that the DMR units fully meet the definition of intermediate housing and are affordable to those eligible for intermediate rented housing in London, taking into account the Mayor's guidance on this issue.
- 4.13.9 Schemes that do not meet the Build to Rent definition set out in Policy H13 Build to Rent and that do not provide a 15-year covenant or a clawback agreement in line with the Mayor's guidance will not qualify for the Build to Rent policy approach. These will be treated as **Build for Sale** developments for the purposes of determining affordable housing requirements.
- 4.13.10 Schemes that qualify for the Fast Track Route will not need to provide a full viability assessment but will be subject the 15-year covenant and clawback given the Build to Rent policy approach to affordable housing<sup>56</sup>.
- 4.13.11 The majority of DMR products, where they meet the requirements of the Community Infrastructure Levy (CIL) regulations qualify for **mandatory CIL relief**<sup>57</sup>.
- 4.13.12 Further **support for Build to Rent** can be given by boroughs through:
- allocating specific sites for Build to Rent or requiring an element of Build to Rent on larger sites in order to accelerate build out of the site
  - encouraging long-term institutional investment, working with the GLA and partners
  - supporting institutional investment on public land, including exploring the use of joint ventures or deferred receipts.
- 4.13.13 Further guidance on Build to Rent schemes can be found in the Mayor's Affordable Housing and Viability SPG.

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<sup>56</sup> A valuation of the market and affordable units must be included within the S106 agreement to enable the level of clawback to be calculated in the event that the covenant is broken.

<sup>57</sup> The Community Infrastructure Levy (Amendment) Regulation 2015 – amendment to Part 6 – exemptions and reliefs.

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## Policy H14 Supported and specialised accommodation

- A The delivery, retention and refurbishment of supported and specialised housing which meets an identified need should be supported. The form this takes will vary, and it should be designed to satisfy the requirements of the specific use or group it is intended for, whilst providing options within the accommodation offer for the diversity of London's population, including disabled Londoners (see [Policy D5 Accessible housing](#)). Supported and specialised accommodation could include:
- 1) move-on accommodation for people leaving hostels, refuges and other supported housing, to enable them to live independently
  - 2) accommodation for young people
  - 3) re-ablement accommodation (intensive short-term) for people who are ready to be discharged from hospital but who require additional support to be able to return safely to live independently at home, or to move into appropriate long-term accommodation
  - 4) accommodation for disabled people (including people with physical and sensory impairments and learning difficulties) who require additional support or for whom living independently is not possible
  - 5) accommodation (short-term or long-term) for people with mental health issues who require intensive support
  - 6) accommodation for rough sleepers
  - 7) accommodation for victims of domestic abuse
  - 8) accommodation for victims of violence against women and girls.

- 4.14.1 Boroughs should undertake **assessments of the short and long-term needs for supported and specialised accommodation** within their borough. Existing accommodation options available within boroughs should be audited identifying any shortages in capacity or potential extra capacity within schemes, as well as accommodation in need of refurbishment. Boroughs should then use this information to plan to meet identified need, working with relevant authorities, such as children's and adult services, the NHS and relevant charities. For some groups, need may be best met on a multi-borough or pan-London basis.

## Policy H15 Specialist older persons housing

- A Boroughs should work positively and collaboratively with providers to identify sites which may be suitable for specialist older persons housing taking account of:
- 1) local and strategic housing needs information and the indicative benchmarks set out in Table 4.4
  - 2) the need for sites to be well-connected in terms of contributing to an inclusive neighbourhood, access to social infrastructure, health care and public transport facilities
  - 3) the increasing need for accommodation suitable for people with dementia.
- B Specialist older persons housing (Use Class C3) provision should deliver:
- 1) affordable housing in accordance with [Policy H5 Delivering affordable housing](#), and [Policy H6 Threshold approach to applications](#)
  - 2) accessible housing in accordance with [Policy D5 Accessible housing](#)
  - 3) the highest standards of accessible and inclusive design in accordance with [Policy D3 Inclusive design](#)
  - 4) suitable levels of safe storage and charging facilities for residents' mobility scooters
  - 5) pick up and drop off facilities close to the principal entrance suitable for taxis (with appropriate kerbs) minibuses and ambulances.
- C Sheltered accommodation and extra care accommodation is considered as being in Use Class C3. Residential nursing care accommodation (including end of life/ hospice care and dementia care home accommodation) is considered as being in Use Class C2.

- 4.15.1 While London is a 'young city', it is expected to experience substantial growth in its older population. By 2029 the number of older person households (aged 65 and over) will have increased by 37 per cent, with households aged 75 and over (who are most likely to move into specialist older persons housing) increasing by 42 per cent. Appropriate accommodation is needed to **meet the needs of older Londoners**.
- 4.15.2 Some older Londoners may wish to **downsize**, move closer to family or friends or be closer to services and facilities, but they may not want to

move into specialist older persons housing. Boroughs and applicants should recognise the important role that new, non-specialist residential developments play in providing suitable and attractive accommodation options for older Londoners, particularly developments in or close to town centres, near to relevant facilities and in areas well-served by public transport.

4.15.3 In some circumstances, older people may choose to seek alternative, more tailored **specialist accommodation**. There is a range of specialist accommodation options and the following definitions should be applied in London:

- **sheltered accommodation and extra care accommodation should be considered as C3 housing:**
- **sheltered accommodation** (also referred to as supported housing) is self-contained accommodation specifically designed and managed for older people (minimum age of 55 years) who require no or a low level of support. Schemes normally include additional communal facilities such as a residents' lounge and a scheme manager, warden or personal alarm/telecare system
- **extra care accommodation** (also referred to as assisted living, close care, or continuing care housing) is self-contained residential accommodation and associated facilities, designed and managed to meet the needs and aspirations of older people, and which provides 24-hour access to emergency support. A range of facilities are normally available such as a residents' lounge, laundry room, a restaurant or meal provision facilities, classes, and a base for health care workers. Domiciliary care will be available to varying levels, either as part of the accommodation package or as additional services which can be purchased if required
- **residential nursing care accommodation** (including end of life/ hospice care and dementia care home accommodation) **should be considered as C2** as it provides non-self contained residential accommodation for people who require additional personal or nursing care. Rooms may be private or shared and may provide an ensuite bathroom. Communal facilities are likely to include a dining room and residents' lounge, with meals and personal services routinely provided to all residents. Personal or nursing care is a critical part of the accommodation package at residential/nursing care accommodation. Care homes are unlikely to provide more than 80 bed spaces in total.

- 4.15.4 Research<sup>58</sup> has identified a **total potential demand** in London across all tenures for just over 4,000 specialist older persons units a year between 2017 and 2029. Table 4.4 provides these requirements as annual borough indicative benchmarks for specialist older persons housing (C3) 2017-2029.
- 4.15.5 These benchmarks are designed to inform **local level assessments** of specialist housing need. Boroughs should plan proactively to meet identified need for older persons accommodation.
- 4.15.6 Looking beyond 2029 to 2041, the number of older persons households will continue to increase, although at a slightly slower rate than from 2017 to 2029.
- 4.15.7 Specialist older persons accommodation should provide affordable housing in line with Policy H5 Delivering affordable housing and Policy H6 Threshold approach to applications. However, the **tenure split** requirements for specialist older person accommodation may differ to those set out in Policy H7 Affordable housing tenure. Where they do, they should be clearly set out in Development Plan Documents or supplementary guidance. Schemes meeting the threshold set out in Policy H6 Threshold approach to applications will be considered under the Fast Track Route, but developments not delivering this will be subject to the Viability Tested Route.
- 4.15.8 Specialist older persons housing developments should also provide a suitable level of **safe storage and charging facilities** for residents' mobility scooters, to prevent them from being stored in communal corridors or spaces which are not designed for this purpose.
- 4.15.9 **Dementia** does not just affect older people, however the total number of older people with dementia in London is forecast to rise from 73,825 in 2017 to 96,939 in 2029, an increase of 31 per cent. Methods of offering support for people with dementia have improved in recent years, as have accommodation options. There is currently no clear evidence identifying the best method of provision of dementia care or accommodation, and it is likely that a range of solutions will continue to develop. Boroughs should consider the need for accommodation for people with dementia within specialist older persons housing developments.

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<sup>58</sup> London Plan research reports can be found at <https://www.london.gov.uk/what-we-do/planning/london-plan/london-plan-technical-and-research-reports>

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**Table 4.4 - Annual borough benchmarks for specialist older persons housing (C3) 2017-2029**

London borough	Annual Benchmarks (units per annum)
Barking & Dagenham	70
Barnet	275
Bexley	145
Brent	230
Bromley	210
Camden	105
City of London	10
Croydon	225
Ealing	200
Enfield	195
Greenwich	105
Hackney	40
Hammersmith & Fulham	70
Haringey	110
Harrow	165
Havering	185
Hillingdon	180
Hounslow	135
Islington	60
Kensington & Chelsea	85
Kingston	105
Lambeth	70
Lewisham	100
Merton	105
Newham	85
Redbridge	155
Richmond	155
Southwark	65
Sutton	100
Tower Hamlets	45
Waltham Forest	110
Wandsworth	120
Westminster	100
<b>Total</b>	<b>4,115</b>

- 4.15.10 **Residential or nursing care accommodation (C2)** is an important element of the suite of accommodation options for older Londoners and this should be recognised by boroughs and applicants. To meet the predicted increase in demand for care home beds to 2029, London needs to provide an average of 867 care home beds a year. The provision of Care Quality Commission rated Good or Outstanding care home beds is growing at around 3,525 bed-spaces a year in London and provision of dementia-capable bed spaces at a rate of 2,430 places a year. If the rates of supply and demand remain constant it should be possible to meet potential demand for both care home beds and dementia care home beds.

### Policy H16 Gypsy and Traveller accommodation

- A Boroughs should plan to meet the identified need for permanent Gypsy and Traveller pitches.
- B As of the start of this Plan period, boroughs should use the following definition of 'Gypsies and Travellers' as a basis for assessing need:
- People with a cultural tradition of nomadism, or living in a caravan, whatever their race or origin, including:
- 1) those who are currently travelling or living in a caravan
  - 2) those who currently live in bricks and mortar dwelling households whose existing accommodation is unsuitable for them by virtue of their cultural preference not to live in bricks and mortar accommodation
  - 3) those who, on grounds of their own or their family's or dependants' educational or health needs or old age, have ceased to travel temporarily or permanently.
- C Boroughs that have not undertaken a needs assessment since 2008 should either:
- 1) undertake a Gypsy and Traveller accommodation needs assessment within the first two years of this Plan period (based on the definition set out above); or
  - 2) use the midpoint figure of need in Table 3 of GLA Gypsy and Traveller Accommodation Topic Paper 2017 as identified need for pitches (over the next 10 years) until a needs assessment is undertaken as part of their Development Plan review process.



- D Boroughs that have undertaken a needs assessment since 2008 should update this (based on the definition set out above) as part of their Development Plan review process.
- E Boroughs should undertake an audit of existing pitches and sites, identifying:
- 1) areas of overcrowding
  - 2) areas of potential extra capacity within existing sites
  - 3) pitches in need of refurbishment.
- Boroughs should plan to address issues identified in the audits.
- F Boroughs should actively plan to protect existing Gypsy and Traveller accommodation capacity, and this should be taken into account when considering new residential developments to ensure inclusive, balanced and cohesive communities are created.

- 4.16.1 Estimates show there are around 30,000 Gypsies and Travellers in London<sup>59</sup>. Their culture and traditions have developed through a nomadic way of life over centuries, and although many Gypsies and Travellers try to maintain this, the **lack of pitches** on local authority sites often presents a barrier to this. Around 85 per cent of Gypsy and Traveller families in London have been forced to live in housing, or on roadside encampments due to overcrowding, or an unsuitability, or lack of availability of, pitches. The lack of access to secure accommodation and suitable living environments has far-reaching implications for their physical and mental health, welfare, education, employment and access to the wider opportunities London has to offer.
- 4.16.2 In this Plan, the Mayor has adopted a **new definition** for Gypsies and Travellers. This is due to concerns that the existing Government planning definition does not recognise many Gypsies and Travellers, for example:
- Gypsies and Travellers who have ceased to travel permanently due to; a lack of available permanent pitches, transit sites or stopping places; frequent enforcement action (evictions), or lack of opportunities and barriers to work
  - Gypsies and Travellers who live in (bricks and mortar) housing due to

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<http://www.londongypsiesandtravellers.org.uk/why-were-needed/>

the lack of sufficient, affordable and good quality caravan site provision;  
or

- due to their own or their family's or dependants' educational or health needs or old age. This is most likely to affect Gypsies and Travellers who face multiple and intersecting inequalities (for example older people, disabled Gypsies and Travellers, women and single mothers).

- 4.16.3 For these groups, it is often very difficult or impossible to demonstrate that they would have immediate plans to travel for work in the future (as required by the current **Government planning definition**) because there are no viable options or because doing so would have a significant impact on their health, wellbeing and security of income.
- 4.16.4 This often results in **Gypsies and Travellers not being recognised or counted in needs assessments**, with many needs assessments identifying zero need. This has a direct impact on the housing options available to Gypsies and Travellers, their ability to retain their cultural status and identity, and can lead to greater inequalities in terms of access to safe and secure accommodation, health care and education.
- 4.16.5 Insufficient pitch provision can also lead to a rise in **unauthorised encampments**, with implications for the health and wellbeing of Gypsies and Travellers, community cohesion and costs for boroughs.
- 4.16.6 The new definition should be used within London for the purposes of assessing accommodation need, and auditing and protecting existing sites and pitches.
- 4.16.7 Boroughs should **actively plan for Gypsies and Travellers' accommodation needs**, and should ensure that new sites are well-connected to social infrastructure, health care, education and public transport facilities, and contribute to a wider, inclusive neighbourhood.
- 4.16.8 To assist boroughs in meeting identified need, **Mayoral funding** will be available through the Homes for Londoners 2016-21 Affordable Homes Programme for the provision of new pitches, on a single or multi-borough basis, and for refurbishment of existing pitches identified via an audit of existing pitches.
- 4.16.9 If existing pitches have to be **re-located or re-provided** within a borough, the new provision should take into account existing family or community groupings and avoid splitting these up wherever possible. The community should be involved in the planning of any unavoidable re-locations to ensure satisfactory solutions are achieved.
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- 4.16.10 Where **new pitches** are proposed, the pitch and site layouts and the design of service blocks should be accessible and adaptable to ensure they are suitable for a range of users including disabled and older people, and families with young children.

### Policy H17 Purpose-built student accommodation

- A Boroughs should seek to ensure that local and strategic need for purpose-built student accommodation is addressed, provided that:
- 1) at the neighbourhood level, the development contributes to a mixed and inclusive neighbourhood
  - 2) the use of the accommodation is secured for students
  - 3) the accommodation is secured for occupation by members of one or more specified higher education institutions
  - 4) at least 35 per cent of the accommodation is secured as affordable student accommodation as defined through the London Plan and associated guidance
  - 5) the accommodation provides adequate functional living space and layout.
- B Boroughs, student accommodation providers and higher education institutions are encouraged to develop student accommodation in locations well-connected to local services by walking, cycling and public transport, but away from existing concentrations in central London as part of mixed-use regeneration and redevelopment schemes.
- 4.17.1 London's higher education institutions make a significant contribution to its economy and labour market. It is important that their attractiveness and potential growth are not compromised by inadequate provision for new student accommodation. The housing need of students in London, whether in **Purpose-Built Student Accommodation** (PBSA) or shared conventional housing, is an element of the overall housing need for London determined in the 2017 London SHMA. London's overall housing need in the SHMA is expressed in terms of the number of conventional self-contained housing units. However, new flats, houses or bedrooms in PBSA all contribute to meeting London's housing need. The completion of new PBSA therefore contributes to meeting London's overall housing need and

is not in addition to this need. Every three student bedrooms in PBSA that are completed equate to meeting the same need that one conventional housing unit meets, and contribute to meeting a borough's housing target (set out in Table 4.1) at the same ratio of three bedrooms being counted as a single home.

- 4.17.2 The **overall strategic requirement for PBSA** in London has been established through the work of the Mayor's Academic Forum, and a requirement for 3,500 PBSA bed spaces to be provided annually over the Plan period has been identified. Meeting the requirement for PBSA should not undermine policy to secure mixed and inclusive neighbourhoods.
- 4.17.3 The strategic need for PBSA is not broken down into borough-level targets as the location of this need will vary over the Plan period with changes in higher education institutions' estate and expansion plans, availability of appropriate sites, and changes in Government policy that affect their growth and funding. To demonstrate there is a local need for a new PBSA development and ensure the accommodation will be supporting London's higher education institutions, the student accommodation must either be operated directly by a higher education institution or the development must have an undertaking in place from initial occupation, to provide housing for students at one or more specified higher education institutions, for as long as the development is used for student accommodation. A majority of the bedrooms in the development must be covered by such an undertaking. Therefore, the borough should ensure, through condition or legal agreement, that the development will continue to maintain a **nominations agreement** or enter new nomination agreements with one or more specified education institution(s) for a majority of the bedrooms in the development, for as long as it is used as student accommodation or such time period as the borough considers is appropriate. There is no requirement for the higher education institution linked by the agreement to the PBSA to be located within the borough where the development is proposed.
- 4.17.4 If the accommodation is not secured for use by students and for occupation by members of one or more specified higher educational institutions as set out in paragraph Policy H18 Large-scale purpose-built shared living, it will not be considered as purpose-built student accommodation or meeting a need for purpose-built student accommodation; and the development proposal will be considered **large-scale purpose-built shared living** and be assessed by the requirements of Policy H18 Large-scale purpose-built shared living.
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- 4.17.5 PBSA should provide adequate functional living space and layout for the occupants. The **design** of the development must be high quality and in accordance with the requirements of Policy D1 London's form and characteristics.
- 4.17.6 To ensure students with an income equivalent to that provided to full-time UK students by state-funded sources of financial support for living costs can afford to stay in PBSA, a proportion (35 per cent) of bedrooms in PBSA are required to be affordable at this income level. The rental cost for this **affordable student accommodation** has been defined through the work of the Mayor's Academic Forum<sup>60</sup>. In addition, the Mayor seeks the development of student accommodation which is affordable for the student body as a whole. Providers of PBSA are encouraged to develop models for delivery of PBSA in London which **minimise rental costs** for the majority of the bedrooms in the development and bring these rates nearer to the rate of affordable student accommodation.
- 4.17.7 The definition of affordable student accommodation is a PBSA bedroom that is provided at a rental cost for the academic year 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. The actual amount the Mayor defines as affordable student accommodation for the coming academic year is published in the Mayor's Annual Monitoring Report. Should the Government make significant changes to the operation of the maintenance loan for living costs as the main source of income available from the Government for higher education students, the Mayor will review the definition of affordable student accommodation and may provide updated guidance.
- 4.17.8 **The amount of affordable student accommodation** provided in a development should be 35 per cent of student bedrooms in the development. If 35 per cent affordable student accommodation is not met, a scheme will be considered under the **Viability Tested Route** in line with part E of Policy H6 Threshold approach to applications and the Mayor's Affordable Housing and Viability SPG. The amount of affordable student accommodation provided in a development and its rental costs should be secured and managed through a legal agreement for as long as the development is used for student accommodation.

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<sup>60</sup> The Mayor's Academic Forum is composed of representatives from the boroughs, universities, private and voluntary sector accommodation providers and students, and is chaired and serviced by the GLA.

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- 4.17.9 The affordable student accommodation should be equivalent to the non-affordable rooms in the development in terms of room sizes and room occupancy level. The **rent** charged must include all services and utilities which are offered as part of the package for an equivalent non-affordable room in the development. There should be no additional charges specific to the affordable accommodation.
- 4.17.10 The **initial annual rental cost** for the element of affordable accommodation should not exceed the level set out in the Mayor's Annual Monitoring Report for the relevant year. For following years, the rental cost for this accommodation can be linked to changes in a nationally-recognised index of inflation such as the Consumer Prices Index or CIPH<sup>61</sup>. A review period, such as every three years, could be set by the borough to allow for recalibrating the affordable student accommodation to the level stated as affordable in the Mayor's Annual Monitoring Report.
- 4.17.11 Where the development is not operated directly by a higher education institution the affordable student accommodation bedrooms should be part of the PBSA that is subject to a nominations agreement. **Allocation** of affordable student accommodation should be by the higher education institution(s) which operates it or has the nomination right to it, and the institution(s) should allocate the rooms to students it considers most in need of the accommodation.
- 4.17.12 To enable providers of PBSA to maximise the delivery of affordable student accommodation by increasing the profitability of the development, boroughs should consider allowing the **temporary use of accommodation** during vacation periods for ancillary uses. Examples of such uses, amongst others, include providing accommodation for conference delegates, interns on university placements, and students on short-term education courses at any institution approved in advance by the borough. Conditions and/or legal agreements could be attached to any planning permission to ensure that the ancillary use does not result in a material change of use of the building.
- 4.17.13 Where a PBSA development meets all the requirements of part A of Policy H17 Purpose-built student accommodation boroughs should not require on-site provision of, or a contribution towards, conventional Use Class C3 affordable housing.

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<sup>61</sup> CPIH is a new additional measure of consumer price inflation including a measure of owner occupiers' housing costs, please see this webpage for further information <https://www.ons.gov.uk/economy/inflationandpriceindices/qmis/consumerpriceinflationqmi>.

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## Policy H18 Large-scale purpose-built shared living

- A Large-scale purpose-built shared living Sui Generis use developments, where of good quality and design, may have a role in meeting housing need in London if, at the neighbourhood level, the development contributes to a mixed and inclusive neighbourhood, and it meets all the following criteria:
- 1) it meets an identified need
  - 2) it is located in an area well-connected to local services and employment by walking, cycling and public transport, and its design does not contribute to car dependency
  - 3) it is under single management
  - 4) its units are all for rent with minimum tenancy lengths of no less than three months
  - 5) communal facilities and services are provided that are sufficient to meet the requirements of the intended number of residents and include at least:
    - a) convenient access to a communal kitchen
    - b) outside communal amenity space (roof terrace and/or garden)
    - c) internal communal amenity space (dining rooms, lounges)
    - d) laundry and drying facilities
    - e) a concierge
    - f) community management
    - g) bedding and linen changing and/or room cleaning services.
  - 6) the private units provide adequate functional living space and layout, and are demonstrably not C3 Use Class accommodation
  - 7) a management plan is provided with the application
  - 8) it delivers a cash in lieu contribution towards conventional C3 affordable housing. Boroughs should seek this contribution for the provision of new C3 off-site affordable housing as either an:
    - a) upfront cash in lieu payment to the local authority, or
    - b) in perpetuity annual payment to the local authority



In both cases developments are expected to provide a contribution that is equivalent to 35 per cent of the residential units to be provided at a discount of 50 per cent of the market rent. If a lower contribution is proposed the scheme will be subject to the Viability Tested Route set out in part E of Policy H6 Threshold approach to applications.

- 4.18.1 This policy applies to large-scale purpose-built shared living developments which in planning terms are **Sui Generis non-self contained market housing**. These are not restricted to particular groups by occupation or specific need such as students, nurses or people requiring temporary or emergency accommodation proposed by speciality providers.
- 4.18.2 Development proposals for such schemes should only be supported where they meet an **identified market need**.
- 4.18.3 To qualify as **large-scale purpose-built shared living**, the development, or block or phase within a development must be of at least 50 units. This type of accommodation is seen as providing an alternative to traditional flat shares and includes additional services and facilities, such as room cleaning, bed linen, on-site gym and concierge service. To ensure this form of accommodation is meeting its specific housing need, it is important that it does not effectively become a hostel, so tenancies should be for a minimum of three months.
- 4.18.4 A **management plan** must be produced and submitted with the planning application showing how the whole development will be managed and maintained to ensure the continued quality of the accommodation, communal facilities and services, and that it will positively integrate into the surrounding communities. The agreed management plan should be secured through a Section 106 agreement and should include, but not be limited to, detailed information on:
- a. security and fire safety procedures
  - b. move in and move out arrangements
  - c. how all internal and external areas of the development will be maintained
  - d. how communal spaces and private rooms will be cleaned and how linen changing services will operate
  - e. how deliveries for servicing the development and residents' deliveries will be managed
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- f. on-site staff and their responsibilities
- g. with reference to the on-site staff, what internal community events will take place and how the surrounding community will be engaged.
- 4.18.5 It is important within a large-scale purpose-built shared living development to **create a sense of community**. Buildings should be designed and managed in a way that lowers barriers to social interaction and encourages engagement between people:
- incidental meeting spaces should be provided in public and semi-public spaces within the building
  - communal kitchen spaces should be designed for social interaction, such as shared kitchens with cooking stations facing each other
  - amenity spaces should be of a size and quality that actively encourages their use and community engagement
  - where appropriate, entrance lobbies and public amenities such as restaurants and bars should encourage use by the surrounding local community as well as the internal community
  - an on-site community manager should help to organise events to encourage social interaction between residents.
- 4.18.6 The **private units** should be appropriately sized to be comfortable and functional for a tenant's needs and may include facilities such as en-suite bathrooms and kitchenettes. There are currently no minimum space standards for these units. Given the generally small size of the private space in these developments, the communal amenity spaces are important elements in ensuring the quality of the overall residential amenity is acceptable. If deemed necessary, the Mayor will produce planning guidance, including space standards, for this form of accommodation.
- 4.18.7 This form of accommodation is required to **contribute to affordable housing**. However, because it does not meet minimum housing space standards and generally consists of bedrooms rather than housing units, it is not considered suitable as a form of affordable housing itself. Therefore, a financial contribution is required for affordable housing provided through the borough's affordable housing programme.
- 4.18.8 A borough can decide whether it would prefer the financial contribution as a single upfront payment for affordable housing (part A8a of Policy H18 Large-scale purpose-built shared living), which will be based on a 50 per
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cent discount to market value of 35 per cent of the units<sup>62</sup>, or an ongoing in perpetuity payment linked to actual rental income (part A8b of [Policy H18 Large-scale purpose-built shared living](#)). The ongoing payment should be based on 50 per cent of rental income for 35 per cent of units for as long as the development is used for this form of accommodation. If these **affordable housing contribution requirements** are not met, the scheme will be considered under the Viability Tested Route in line with part E of [Policy H6 Threshold approach to applications](#) and the Mayor's Affordable Housing and Viability SPG.

- 4.18.9 The **rental cost** of this form of accommodation is not directly comparable to the rental costs of conventional Use Class C3 housing as units are significantly smaller than the minimum housing space standard i.e. a one person dwelling of 37 sqm. If a comparison is undertaken it should be on a square metre rental rate of the private accommodation and not a unit rental rate.

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<sup>62</sup> Evidence of the market value of the shared living units will need to be provided under the Fast Track Route to enable the upfront payment to be calculated.

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