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# The London Plan: Interim Housing Supplementary Planning Guidance

Spatial Development Strategy for London – The London Plan (Consolidated with Alterations since 2004)





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## Foreword by the Mayor

My replacement London Plan will not be published formally until the winter of 2011/2012 so the London Plan (Consolidated with alterations since 2004) (“Consolidated Plan”) will remain in force until then.

Discussions with boroughs, developers and other stakeholders have highlighted the need, as an interim measure until my replacement Plan is finalised, to produce Supplementary Planning Guidance on implementation of the Consolidated Plan so that it can be more effective in tackling three key issues:

- development on private garden land,
- the relationship between housing density and quality,
- and affordable housing targets.

This will replace or supplement relevant sections of the now dated 2005 Housing Supplementary Guidance.

**Boris Johnson**  
**Mayor of London**



## 1 INTRODUCTION

- 1.1 The Mayor has recently published his draft replacement London Plan for public consultation<sup>i</sup>. While this will have increasing materiality for planning purposes as it proceeds through the statutory process it will not be finalised until winter 2011/12. As an interim measure he is issuing for consultation this Supplementary Planning Guidance on implementation of the Consolidated Plan<sup>ii</sup> to more effectively address three particular concerns:
- back garden development,
  - housing density and quality, and
  - affordable housing targets.
- 1.2 This new Interim SPG will replace those sections of the 2005 Housing SPG (devolving from the original 2004 London Plan) which deal with development density (paras 5.1 – 6.19) and affordable housing targets (paras 17.1 – 18.20) and, in outlining the approach to be taken to back garden development, will supplement that dealing with small infill developments (paras 9.7 – 9.8).
- 1.3 This SPG also draws on experience from using the 2005 edition of the SPG, clarifying it where necessary and taking account of new government guidance, new research and the Mayor's new powers from the Greater London Authority Act 2007, especially those concerned with planning, housing and climate change. As well as supplementing the London Plan, the SPG is designed to complement the Mayor's other strategies<sup>iii</sup>.
- 1.4 As SPG, this document does not set new policy but provides guidance on how those policies in the Consolidated Plan can best be implemented. It will assist boroughs in preparing Development Plan Documents and ensuring that these are in general conformity with the London Plan. It will also be a material planning consideration when determining planning applications and is intended to inform developers, landowners and others when considering or preparing residential and mixed use schemes.
- 1.5 The new replacement London Plan, shortly to be subject to examination in public (EiP), will be supplemented by a comprehensively revised housing SPG, which will come into force following publication of the replacement Plan. It is intended that a draft of this comprehensive SPG should be available to inform the EiP into the new replacement Plan in summer 2010.

## 2 PRIVATE GARDEN LAND DEVELOPMENT

- 2.1 Private garden land is the enclosed area within a dwelling curtilage from which the public is excluded. The loss of private garden land, especially back gardens, to infill residential development has highlighted the need for greater clarity in guidance on implementing other aspects of policy which bear on gardens in the uniquely extensive, built up environment of London. These roles include the contributions of gardens to:
- local context and character including local social, physical, cultural, historical, environmental and economic characteristics,
  - providing safe, secure and sustainable environments and play space,
  - supporting biodiversity, protection of London's trees, 'green corridors and networks', abatement of flood risk and mitigating the effects of climate change including the 'heat island' effect, and
  - enhancing the distinct character of suburban London.
- 2.2 A number of London Plan policies address these roles in general terms (see below). They can be used to provide strategic support for local policies and decisions which, in appropriate circumstances, seek specific protection for gardens.
- 2.3 Private gardens are an important component of what the London Plan terms 'local context' (Policy 3A.3). There is concern that this may be overlooked when implementing what is sometimes read as being the main thrust of policies 3A.1 and 3A.2 - simply to increase housing output. It is important to note that these policies are carefully qualified by a cross reference to Policy 3A.3, dealing with Sustainable Residential Quality, and thence to other density, urban design and environmental policies (see the links between London Plan Policies 3A.2/3A.3 to Policy 4B.1/ Policy 2A.1). Policies 3A.1 and 3A.2 should not, therefore, be applied simplistically to justify inappropriate intensification of residential areas.
- 2.4 Policy 4B.1 makes clear that development must 'respect local context, history, built heritage, character and communities' and this is reaffirmed more emphatically in Policy 4B.8 through which 'the Mayor will and boroughs should work with local communities to recognize and manage local distinctiveness ensuring proposed developments preserve or enhance local social, physical, cultural, historical, environmental and economic characteristics (and the wider range of social requirements set out in Policy 3A.17)'. Gardens can clearly be very much part of the characteristics identified in these policies as warranting respect and protection.
- 2.5 Similarly, in coming to a view on proposals which entail the loss of gardens, appropriate account should be taken of the degree to which they 'provide safe, secure and sustainable environments', especially in suburban London where they are a key component of its unique attractions (Policy 2A.9). Account should also be taken of the way in which gardens can enhance biodiversity (Policy 3D.14) including 'green corridors', protect trees (Policy 3D.15), abate flood risk (Policies 4A.1, 4A.12 - 14) and address the effects of climate change including 'heat island' effects and the use of green networks to create 'breathing spaces' (Policies 4A.1, 4A.9 -10).
- 2.6 In considering proposals for development in gardens, boroughs and developers are advised, in the light of local circumstances, to consider the value they have in addressing the strategic objectives set out above and to strike an appropriate balance between them and the need to maximise overall housing provision. Within the

context of statutory permitted development rights<sup>iv</sup> (which normally only affect residential extensions), these wider objectives are generally likely to outweigh those flowing from the small increment to overall housing provision which usually results from garden development.

- 2.7 While private back gardens may be considered to fall within the national definition of 'previously developed' or 'brownfield' land, it should be noted that Para 41 and Annex B of PPS 3 (as amended 2010) are carefully worded to state that 'there is no presumption that land that is previously-developed is necessarily suitable for housing development nor that the whole of the curtilage should be developed'.

### **Supplementary Planning Guidance 1: Private Land Development**

In implementing London Plan housing policies and especially Policy 3A.2, the Mayor will, and Boroughs and other partners are advised when considering development proposals which entail the loss of garden land, to take full account of the contribution of gardens to achievement of London Plan policies on:

- local context and character including the historic and built environment;
- safe, secure and sustainable environments;
- bio diversity;
- trees;
- green corridors and networks;
- flood risk;
- climate change including the heat island effect, and
- enhancing the distinct character of suburban London,

and carefully balance these policy objectives against the generally limited contribution such developments can make towards achieving housing targets.

### 3 DENSITY

- 3.1 Securing development of high quality is a key Mayoral priority and must be coordinated with making the best use of development opportunities, with growth focused on areas with good public transport accessibility so that it can be truly sustainable. The London Plan Policy 4B.1 sets out a series of generic design principles to secure not just the most efficient use of land but also to ensure that consequent development is sustainable in transport terms and is of high quality design. The way this approach bears specifically on housing is set out in Policy 3A.3:

#### **Policy 3A.3 Maximising the potential of sites**

The Mayor will, and boroughs should, ensure that development proposals achieve the maximum intensity of use compatible with local context, the design principles in Policy 4B.1 and with public transport capacity. Boroughs should develop residential density policies in their DPDs in line with this policy and adopt the residential density ranges set out in Table 3A.2 and which are compatible with sustainable residential quality.

The Mayor will refuse permission for strategic referrals that, taking into account context and potential transport capacity, under-use the potential of the site.

- 3.2 National planning policy requires the London Plan to set out strategic density policy for the region<sup>v</sup>. The London Plan's approach to this policy was originally pioneered by the boroughs to secure 'sustainable residential quality' (SRQ) – a broad concept which includes density but integrates it with wider environmental, transport and social objectives. It has been refined over a decade<sup>vi</sup> and as expressed in the Consolidated London Plan (see above) the concept is particularly concerned to ensure that the quality of housing output is not compromised by the need to make the most efficient use of land. The policy therefore takes into account:
- the need to secure residential quality through design as set out in Policy 4B.1 and to respect local context (further affirmed in Policy 4B.8);
  - optimising the relationship between transport and land use to secure sustainable development – a fundamental tenet not just of the London Plan (Objective 5, policy 3C.1) but also of national planning policy, and
  - the density guidelines themselves, which also reflect these objectives. They are expressed as wide and appropriate ranges (set out in a density matrix – see below) in order to accommodate local variations in three broad types of urban setting and public transport accessibility. They are designed to be sensitive to local circumstances including the need to accommodate homes of different sizes and so are expressed in terms of habitable rooms per unit and hectare as well as the more conventional 'dwellings per hectare'.
- 3.3 In order to simplify implementation of the policy, the density guidelines/matrix have been streamlined in the Consolidated Plan. Car parking standards (which have significant implications for density of land use), are now dealt with separately (see paras 3.36 – 3.40 below and Annex 1). However, because of the way the policy has been implemented in the past, its outcomes have not always been in line with all the Plan's objectives<sup>vii</sup>:
- some developments have been brought forward which do not adequately respect local context;

- some developments have not adequately reflected other policy objectives (in terms of dwelling mix, for example); and,
  - some densities have simply been above the relevant guidelines without considering fully the implications for wider policy objectives.
- 3.4 These unintended outcomes are due to a variety of factors, not least the dynamism of the London housing market which has borne particularly on the size of some dwellings produced by the private sector. However, implementation of the policy, especially through the development control process also appears to have been an important reason. This is due mainly to undue weight being attached to only one part of the policy (Table 3A.2 – the density matrix) when coming to a view on densities suitable for a particular site. It is essential that when coming to such a view that appropriate weight is given to the range of relevant qualitative concerns set out in Policy 4B.1 and a judgement is made about the point at which a development proposal falls within the wide density range for a particular type of setting/location. Too often it has simply been accepted that the maximum of the range can be taken as a ‘given’ or even a minimum expectation. Negotiations on this basis can even lead to developments coming forward which are beyond the relevant range. This has led to the position where 60% of residential developments are above the appropriate density range<sup>viii</sup>. Unless additional reasons to justify exceeding the top of the appropriate range can be demonstrated rigorously, they should be resisted.
- 3.5 Conversely, undue weight has sometimes been given to local context rather than to location or public transport accessibility. This can result in densities which do not reflect scope for more sustainable forms of development which take fuller advantage of good public transport accessibility in a particular location.
- 3.6 Coming to decisions on housing density means having to strike a sensitive balance between a complex range of factors. Thus, with the exception of the 200-300 major applications which come before the Mayor each year, interpretation of the broad density policy outlined in the London Plan and expressed in DPDs is very properly a local matter which takes account of local circumstances. This section of the SPG is intended to better inform this decision-making process, providing guidance on implementing the different aspects of Policy 3A.3 and signposts to its crucial qualitative dimension set out in Policy 4B.1 and other related policies.

## Density definitions

- 3.7 The London Plan defines density in terms of net residential site area (which only includes homes, gardens and internal access roads) and expresses it both as dwellings and, to take better account of the needs of different types of household, as habitable rooms per hectare<sup>ix</sup>. The Plan provides a guide to appropriate density ranges, taking account of public transport accessibility, access to town centre facilities and type of neighbourhood. Different forms of development can have similar densities. High density does not have to mean higher rise development, and there are many studies<sup>x</sup> that explore how high density schemes can provide good quality attractive housing and ensure the most efficient use of land.
- 3.8 London has historically developed at a wide range of densities, with many of its most successful residential neighbourhoods being built at relatively high density more than a century ago<sup>xi</sup>. Much of this higher density housing stock (often five or six storeys high with communal gardens and shared open spaces) is popular and of high value.

## Density and dwelling type

- 3.9 Density decisions on new schemes should take account of the different housing needs of the households who will live in the completed scheme. The determination of which housing needs a scheme will meet should be informed by local and regional housing priorities including the 2008 GLA Strategic Housing Market Assessment (SHMA)<sup>xii</sup> which highlights the importance of additional provision for families.
- 3.10 In broad terms, higher densities which assume a lower number of habitable rooms per dwelling, will be more suitable for households without children and will require less play provision. Higher density housing can be particularly suitable for town centres and as an element of mixed-use developments, where open space and car parking may be limited.
- 3.11 The London Plan density matrix assumes a higher number of habitable rooms per dwelling for lower density development. Lower density developments lend themselves more, though not exclusively, to family housing, generally defined as having three or more bedrooms. This usually also makes them more appropriate for higher proportions of social rented affordable housing, given the particular need for family social housing provision. Schemes should be designed to maximise tenure integration and ensure that affordable housing units should have the same external appearance and entrance arrangements as the private housing<sup>xiii</sup>. Developers and housing associations should have regard to the policies on design set out in section 4B of the 2008 Consolidated London Plan – design should be appropriate to the needs of the households for whom housing is to be provided. The Mayor’s emerging London Housing Design Guide<sup>xiv</sup> proposes design standards for all housing on LDA owned land and for affordable housing elsewhere which will be funded by public investment from 2011.
- 3.12 For planning purposes a habitable room is usually defined as "Any room used or intended to be used for sleeping, cooking, living or eating purposes. Enclosed spaces such as bath or toilet facilities, service rooms, corridors, laundries, hallways, utility rooms or similar spaces are excluded from this definition." There is no statutory definition or size threshold for kitchens but it is usually taken to be between 13 and 15 sq m: any kitchen above the minimum is counted as a habitable room. Kitchen/diners are more difficult to define. Generally, a kitchen with a small table and chairs tucked away in a corner, or with a kitchen 'bar', would be defined as a kitchen, and the relevant size threshold would apply. A space with a clearly defined kitchen at one end and a clearly defined dining area at the other (with a dining table and chairs) would be counted as a habitable room. The draft Housing Design Guide provides further advice on habitable rooms and other living spaces.
- 3.13 Effective implementation of affordable housing policy to seek the maximum reasonable amount of affordable housing, especially in parts of central London, can be compromised by development of particularly large dwellings (measured in square metres rather than habitable rooms/hectare). In such cases, it may be more appropriate to estimate affordable housing provision on the basis of floorspace rather than numbers of units (see also Para 4.39). The Mayor will, and Boroughs may wish, to have regard to the space standards proposed in the Mayor’s emerging London Housing Design Guide when developing benchmarks to assess reasonable contributions to affordable housing on the basis of the area of a dwelling.

- 3.14 Where a development includes family housing, accessible play spaces designed to meet the needs of younger and older children should be provided, taking account of the projected child population in line with Consolidated London Plan Policy 3D.13 and the playspace SPG<sup>xv</sup>.

### **The London Plan density matrix**

- 3.15 By linking the level of density to the proximity and frequency of public transport it is possible to make the best use of sites within walking distance of public transport and town centres whilst allowing lower densities where public transport accessibility and capacity is less. This will usually mean building on London's existing pattern of urban development, consolidating its network of town centres, as well as realising new opportunities for intensification based on improvements in public transport accessibility.
- 3.16 Sustainable and successful higher density housing depends on a complex range of factors including the location, management, occupancy and tenure of a development, and all should be taken into account when schemes are designed. Research into peoples' neighbourhood preferences suggests that housing density in itself may be less significant to resident satisfaction than dwelling type and neighbourhood characteristics<sup>xvi</sup>.
- 3.17 London Plan Policy 3A.1 and 4B.1 require DPDs to develop policies in line with the SRQ approach and to adopt the residential density ranges set out in Table 3A.2 (see below). There is sufficient flexibility in the wording of the policy and within the spread of the density ranges to enable LDFs to refine their local policies within these broad ranges in light of local circumstances, while still conforming with the broad parameters of strategic policy. These broad ranges provide the framework within which boroughs should refine local approaches to implementation of this strategic policy through their DPDs. Similarly, Policy 4B.1, 3A.3 and Table 3A.2 are critical in assessing individual residential proposals but their inherent flexibility means that Table 3A.2 in particular should be used as a guide rather than as an absolute rule so as to also take proper account of other objectives, especially for dwelling mix, environmental and social infrastructure, as well as local circumstances, such as improvements to public transport capacity and accessibility.
- 3.18 Exceptionally, higher or lower densities on individual developments may be acceptable where these can be justified by local circumstances (see below). In general DPD policies should be cast in terms of Policy 4B.1 and Table 3A.2 rather than seeking to 'plan by exception' i.e. to base their policy not on general guidelines but on local exceptions to the generality. The Plan also confirms that DPDs and planning applications referred to the Mayor will be assessed against the density matrix together with other appropriate objectives in order to achieve appropriate housing outputs.

**Table 3A.2 Density matrix (habitable rooms and dwellings per hectare)**

	Setting	Public Transport Accessibility Level (PTAL)		
		0 to 1	2 to 3	4 to 6
Indicative Average Dwellings size	<b>Suburban</b>	<b>150 - 200 hr/ha</b>	<b>150 - 250 hr/ha</b>	<b>200 - 350 hr/ha</b>
	3.8 - 4.6 hr/unit	35 - 55 u/ha	35 - 65 u/ha	45 - 90 u/ha
	3.1 - 3.7 hr/unit	40 - 65 u/ha	40 - 80 u/ha	55 - 115 u/ha
	2.7 - 3.0 hr/unit	50 - 75 u/ha	50 - 95 u/ha	70 - 130 u/ha
	<b>Urban</b>	<b>150 - 250 hr/ha</b>	<b>200 - 450 hr/ha</b>	<b>200 - 700 hr/ha</b>
	3.8 - 4.6 hr/unit	35 - 65 u/ha	45 - 120 u/ha	45 - 185 u/ha
	3.1 - 3.7 hr/unit	40 - 80 u/ha	55 - 145 u/ha	55 - 225 u/ha
	2.7 - 3.0 hr/unit	50 - 95 u/ha	70 - 170 u/ha	70 - 260 u/ha
	<b>Central</b>	<b>150 - 300 hr/ha</b>	<b>300 - 650 hr/ha</b>	<b>650 - 1100 hr/ha</b>
	3.8 - 4.6 hr/unit	35 - 80 u/ha	65 - 170 u/ha	140 - 290 u/ha
	3.1 - 3.7 hr/unit	40 - 100 u/ha	80 - 210 u/ha	175 - 355 u/ha
	2.7 - 3.0 hr/unit	50 - 110 u/ha	100 - 240 u/ha	215 - 405 u/ha

Source: Greater London Authority

### Public transport accessibility (PTAL)

- 3.19 To help direct new development to areas with the highest levels of public transport accessibility, the London Plan uses Public Transport Accessibility Level (PTAL) data supplied by Transport for London (TfL) to measure ease of access to the public transport network. Low (or zero) PTAL scores do not by themselves preclude development, but will limit the densities which will be appropriate on such sites, unless a significant change in public transport accessibility levels can be achieved to justify the use of a higher density range. In assessing a site's capacity, a site-specific PTAL assessment should be carried out. The public transport assumptions used to generate these PTAL layers are listed in Table 3C.1 of the 2008 Consolidated London Plan and updated by Table 6.3 of the 2009 draft replacement London Plan<sup>xvii</sup>. TfL has also prepared indicative future PTAL maps for 2011, 2016 and 2026 and sub-regional capacity and congestion maps. These should be taken into account when taking planning decisions on major sites.
- 3.20 Transport for London, in advising the Mayor of the PTAL level for a specific development proposals referred to him, will undertake a more site specific assessment, taking into account local transport networks including pedestrian routes which cannot be shown on a higher level map. PTAL levels may vary significantly across a larger site, with different densities being appropriate for different parts of a site.
- 3.21 Where transport assessments other than PTALs can reasonably demonstrate that a site has either good existing, or planned public transport connectivity/capacity, subject to the wider considerations of site potential, then the density of a scheme may be at the higher end of the density range. Where connectivity and capacity are limited, density should be at the lower end of the appropriate range.

## Setting

- 3.22 Defining the setting of an area entails an element of subjectivity and requires knowledge of the locality. Boroughs can therefore define the setting through their DPD process within the context and guidance of Policy 3A.3, reflecting the characterisations set out in Consolidated Plan paragraph 3.23:
- central** – areas with very dense development, a mix of different uses, large building footprints and typically buildings of four to six storeys, located within 800 metres walking distance of an International, Metropolitan or Major town centre
- urban** – areas with predominantly dense development such as terraced houses and mansion blocks, a mix of different uses, medium building footprint and typically buildings of two to four storeys, located within 800 metres walking distance of a District centre or, along main arterial routes
- suburban** – areas with predominantly lower density development such as detached and semi-detached houses, predominantly residential, small building footprints and typically buildings of two to three storeys.
- 3.23 The Consolidated Plan makes clear that the ‘central’ setting applies not just to ‘central London’ (the Central Activities Zone and neighbouring parts of inner London) but also to locations within 800 metres of an International, Metropolitan or Major town centre as listed in the town centre network in Table A.1 in the London Plan. Locations within 800 m of a District centre in the same table are considered to give an area an ‘urban’ setting. These extend along main arterial routes and substantial parts of the remainder of inner London. 800 metres is generally taken to approximate to 10 minutes walking distance.
- 3.24 Dwelling size, and indirectly, built form, should primarily reflect the housing requirements of the group for whom housing is provided. To best inform this, the London Plan matrix sets out appropriate density ranges for dwellings of different sizes using habitable rooms per unit ratios. These run from 2.7 – 3.00 habitable rooms per unit giving densities of 215 – 405 units per hectare in ‘central’ locations with good public transport accessibility to 3.8 – 4.6 habitable rooms per unit giving densities of 35 – 55 units per hectare in suburban locations with low accessibility. Where provision is primarily for families, an appropriate built form should be assumed in light of the unit density. This should take account of the guidance on housing mix and choice set out in section 11 of the 2005 Housing SPG.
- 3.25 When considering where a particular development should ‘sit’ within a broadly appropriate density range consideration should be given to the range of factors set out below.

## Large sites

- 3.26 Large sites have the capability of defining their own setting. The better the quality of the existing built environment and the more legible the setting of the areas surrounding the site, the larger the site needs to be to define its own setting. In general, sites over two hectares will have the potential to define their own setting<sup>xviii</sup>. This setting needs to accord with the location of the site including distance to town centres and other infrastructure, and with the local and strategic objectives for the area. Of particular relevance to large site development is research<sup>xix</sup> showing the importance of encouraging pedestrian movement to and from surrounding communities over and above their association with journeys to work. This

permeability should reflect desire lines, especially those associated with efficient access to public transport, retail, community and other facilities<sup>xx</sup>, which in turn supports 'place shaping' to which local communities can relate. Such sites need to support the principle of creating 'walkable neighbourhoods'. (Walkable neighbourhoods are typically characterised by having a range of facilities within 10 minutes' (up to about 800 m) walking distance of residential areas which residents may access comfortably on foot<sup>xxi</sup>).

### **Sites on borders and edges of 'settings'**

- 3.27 The setting of areas where the character of the urban fabric changes can usefully be defined in DPDs. This will increase certainty along these borders and avoid high density developments spreading in an uncontrolled way into lower density areas and vice versa – an important part of 'place shaping' as well as 'place shielding'.

### **Undeveloped Areas/Areas with Indeterminate Character**

- 3.28 There are still parts of London that are substantially undeveloped or have for other reasons 'no definable character'<sup>xxii</sup>. This is especially the case in East London on some former employment sites and some Opportunity Areas. In such areas new developments will be unlikely to interfere with existing settings and offer particular scope for place shaping to make them attractive to new communities. The appropriate density range in such areas should be primarily guided by:
- strategic (London Plan) and local (DPDs) proposals for these areas;
  - public transport considerations (current and planned accessibility, connectivity and capacity); and
  - their location. The distance to the closest town centre, other site specific considerations and planned future setting

### **Small sites**

- 3.29 Small sites have specific opportunities and constraints with regards to density. When establishing the appropriate density for small sites, special attention should be given to factors influencing the setting of a development site, including existing streetscapes, massing and design of the surrounding built environment. Where the density of buildings surrounding small sites is below the appropriate range in the density matrix the site should be developed towards the lower end of the appropriate range, unless detailed urban form analysis suggests otherwise. Where the density of surrounding buildings is above the appropriate range in the matrix, a small site can be developed to the higher end of the appropriate density range. In both cases detailed urban form analyses may suggest that higher or lower densities are necessary to respect local context.
- 3.30 Small sites may require little land for internal infrastructure such as internal roads, amenity space and social infrastructure, and it is appropriate for density to reflect this<sup>xxiii</sup>. Where it can be demonstrated, subject to meeting other planning policy requirements, that infrastructure and amenity space requirements arising from development of a small site can be met outside the site, consideration should be given to developing it at the higher end of the appropriate density range.

## **Developments above the density ranges**

3.31 The form of housing output should be determined primarily by an assessment of housing requirements and not by assumptions as to the built form of the development. Where proposals are made for developments above the relevant density range they must be tested rigorously, balancing concerns for overall housing output against not just factors specifically covered by Policy 3A.3 but also other policies which are relevant to exceptionally high density development. These include different aspects of 'liveability' related to proposed dwelling mix, design and quality, amenity provision and space, physical access to services, sustainable design and construction, car parking and the wider context of the proposal taking account of its contribution to local 'place shaping' as well as concerns over 'place shielding'.

## **Developments below the density ranges**

3.32 In line with PPS3, 30 dwellings per hectare<sup>xxiv</sup> should be regarded as the minimum density for development. In London, very few schemes would be appropriate at or below this base level. More generally, in refining the matrix for local application through DPD policy, boroughs should not as a matter of policy principle go below the range for a particular type of setting/location - the density ranges set out in the matrix are very broad and are designed to accommodate the range of settings commonly found in different parts of London. Proposals for development below the ranges should be addressed as exceptions to policy and tested rigorously to ensure that they meet the requirements of Policy 3A.3 and wider concerns, especially those to make the most effective use of land and meet local and strategic housing requirements.

## **Social infrastructure and amenity space requirements**

- 3.33 Planned as well as existing social infrastructure should be considered when establishing appropriate density ranges. It is important to ensure that appropriate levels of social and environmental infrastructure are provided to meet needs generated by new development. Where additional needs, such as those for schools, health care or amenity space cannot be met by existing infrastructure and cannot be provided satisfactorily off site, the infrastructure required to address the demand shall be provided on the site. This might result in a reduction within the appropriate density range. Conversely, in areas with particularly high accessibility, consideration should be given to capitalising on this to make higher density provision for smaller households which have lower social infrastructure requirements than, say, families.
- 3.34 The London Plan requires larger development proposals to be subject to planning briefs (Policy 3A.7) and social and economic impact assessments (Policy 3A.28). The Mayor already provides specific guidance on play<sup>xxv</sup>, open space<sup>xxvi</sup>, health and education<sup>xxvii</sup> provision. Government also provides more general guidance on social infrastructure provision for large developments<sup>xxviii</sup>.

## **Mixed use**

3.35 Research suggests that while combining residential uses with other uses can lead to more effective use of common infrastructure (e.g. water, sewerage, power), if density is measured in units per hectare or habitable rooms per hectare (as in the Density Matrix) it will also increase massing and reduce the available land for amenity space<sup>xxix</sup>. In the case of vertically mixed schemes (i.e. where housing is on top of non-

residential uses), any non-residential floorspace should be deducted from the total floorspace indicated by the appropriate density for a purely housing scheme on that site to avoid creating development out of scale with its context. Thus, where schemes have a substantial proportion of non-residential uses, density assessment via habitable rooms per hectare is not usually an appropriate measure. In these circumstances, plot ratio is likely to be a more appropriate. As a general guideline, for schemes with more than 35% of the total floorspace in uses other than residential it may be more effective to assess density in these terms in line with guidance on commercial developments (London Plan, Paras 4.105 and 4.106).

## Design

3.36 Policy 3A.3 on maximising the potential of sites makes clear that this must be in the context of Policy 4B.1 which sets out general design principles. Securing quality of housing output is essential and research<sup>xxx</sup> indicates that in some circumstances this may constrain the density which otherwise might be expected in a particular setting. In such exceptional circumstances, departures from Policy 3A.3 must be justified robustly.

## Levels of car parking

3.37 On any site, car parking can take up a considerable amount of land nominally available for housing. Some of this provision may be essential (e.g. for servicing and disabled parking facilities), but the amount of space set aside for cars can often be consolidated or minimised through good design (Policy 3C.23, Annex 4 reproduced in Annex 1 of this SPG).

3.38 Research suggests that conventional designs for residential development on small sites can lead to 25% to 40% of the area being effectively lost to motor vehicle related uses<sup>xxxi</sup>. The amount of land required for car parking can be reduced substantially by a more integrated approach, taking account of location, access to public transport and the scope for higher density development. This in turn can raise site values, enabling funding of additional affordable housing and providing scope to enhance the quality of both the residential environment and the housing itself<sup>xxxii</sup>.

3.39 Planning practice on car parking provision already takes into account site characteristics and the availability of public transport. Boroughs should also explore the scope to link planning conditions and planning obligations on whole developments and covenants on individual dwellings to reduce parking demand, such as reduced car parking standards and, in controlled parking zones, ineligibility for on-street residents parking permits. Account should also be taken of the planned social composition of a development and changing attitudes towards car use and ownership. Car-capped and car-free housing, through controls over residents' parking and permits and encouragement of 'car clubs' <sup>xxxiii</sup>, can allow higher densities to be realised without compromising design. Car clubs are increasingly proving viable and attractive in areas well served by public transport and with effective on-street parking controls<sup>xxxiv</sup>. It is however important that appropriate provision is made for disabled parking spaces, recognising the London Plan target that 10% of residential provision should be accessible by wheelchair users<sup>xxxv</sup>.

3.40 The London Plan supports improving conditions for cycling, including encouraging provision of sufficient, secure cycle parking facilities within new developments, taking account of TfL's Cycle Parking Standards<sup>xxxvi</sup> (London Plan Policy 3C.22). It also

supports the more widespread use of hydrogen as an alternative to fossil fuels, including through maximising the uptake of hydrogen and fuel cell vehicles (Policy 4A.8). The Mayor has also indicated his intention to promote increased and more widespread use of electric vehicles through parking standards<sup>xxxvii</sup>.

- 3.41 Local traffic management schemes are the most appropriate level at which to resolve differences between Controlled Parking Zone (CPZ) requirements and the stance to be taken towards on and off-street parking. As a general strategic principle, local off-street parking requirements should not compromise the potential to increase overall housing provision. Exceptionally, off-street rather than on street parking may be desirable e.g. on bus routes or along narrow roads. However, there is strong concern that paving over front gardens should not exacerbate the potential for flooding<sup>xxxviii</sup>. In line with national guidance<sup>xxxix</sup>, Policy 4A.14 requires boroughs to “encourage the retention of soft landscaping and other means of reducing, or at least not increasing, the amount of hard standing associated with existing homes” – since October 2008 this is no longer permitted development.

### **Supplementary Planning Guidance 2: Density**

In implementing London Plan housing policies and especially Policy 3A.3, the Mayor will, and Boroughs and other partners are advised to:

- take account of the full intent of the policy and not just the associated density matrix i.e. achieve the maximum intensity of use compatible with local context, the design principles of Policy 4B.1 and with public transport capacity;
- tailor local density policies to local circumstances within the broad density ranges for different types of settings, PTAL levels and dwelling size ranges provided by Table 3A.2. For DPD policy purposes these broad ranges provide sufficient flexibility to accommodate the spectrum of circumstances likely to be encountered in different parts of London;
- use the habitable room per hectare (hrh) measure of density to help secure dwelling mix and housing need objectives, informed by local and strategic housing need assessments;
- generally define family housing as having three or more bedrooms;
- ensure that the form of the development reflects the objectives of the development plan including identified housing requirements and not other pre-conceptions as to form: high density does not have to mean high rise development;
- generally seek family homes in lower density developments in appropriate locations and focus provision for smaller households at higher densities in areas with good public transport access;
- ensure that active encouragement of ‘place shaping’ through design and other policies is set in the context of broader density policy, especially on large sites and in areas with indeterminate character;
- ensure that implementation of density policy, especially on the borders of small sites, takes account of the surrounding context, generally seeking integration of new and existing development through design but where necessary providing ‘place shielding’, as well as securing permeability to

reflect new and existing communities' 'desire lines' which link them to the wider neighbourhood and facilities;

- recognise that while social infrastructure provision is not the primary driver for establishing appropriate densities, the need for such provision must be addressed on or off-site and that these needs are a consequence of the dwelling size mix which influences the composition of new communities;
- where appropriate consider the use of plot ratio rather than the density matrix when assessing the density of mixed use development, and in vertically-mixed developments discount non-residential floorspace from the appropriate density to avoid inappropriate impact on townscape;
- closely integrate wider design policies with density policy in line with London's distinctive approach to 'sustainable residential quality'; and
- take an integrated, locationally sensitive approach to implementation of car parking and density policy, including maximising the development potential of sites with good existing or planned public transport capacity/connectivity by encouraging a move towards car free developments, use of car clubs, appropriate provision for cycles and fuel cell vehicles and effective street parking policies.

## 4 AFFORDABLE HOUSING TARGETS

### **Policy 3A.9 Affordable housing targets**

DPD policies should set an overall target for the amount of affordable housing provision over the plan period in their area, based on an assessment of all housing needs and a realistic assessment of supply. In setting targets boroughs should take account of regional and local assessments of need, the Mayor's strategic target for affordable housing provision that 50% of provision should be affordable and, within that, the London-wide objective of 70% social housing and 30% intermediate provision, and the promotion of mixed and balanced communities. They should take into account the most robust available assessment of housing capacity, and of potential sources of supply, such as:

- local authority developments, including net gain from estate regeneration,
- affordable housing schemes funded independently of planning contributions from private development
- affordable housing secured through planning agreements or conditions on private residential or mixed use (including residential) development
- long term vacant properties brought back into use
- provision from non-self-contained accommodation.

- 4.1 If percentage based affordable borough-wide housing targets are used in a DPD, they should apply to the aggregate of new provision from all sources within a borough. They are therefore distinct from any benchmark for the negotiation of affordable housing on any specific mixed use or private residential site in relation to Policy 3A.10.
- 4.2 The definition of overall housing provision comprises:
- net new build provision;
  - net gains from conversion including net gains from conversion of non-residential premises to residential use, offset by net losses from de-conversions including HMOs and losses of residential premises to non-residential uses;
  - new provision of non self-contained household spaces (for example hostels and houses in multiple occupation); and
  - long-term vacant property (defined as vacant 6 months or longer) brought back into use through local authority action or otherwise. Where vacants increase this will be a negative figure.
- 4.3 In planning rather than housing investment terms, schemes for purchasing homes on the open market to turn into affordable housing will only count as additional provision where they are net new build completions, rather than a change of tenure of existing provision. The Mayor will continue to monitor the range of affordable housing delivered through the AMR and Housing Strategy processes.
- 4.4 The policy requirement in Policy 3A.9 is to set borough affordable housing targets. This is also in compliance with Para 29 of PPS3. In setting targets the Policy stresses the primacy of:
- an assessment of regional and local housing needs, and

- a realistic assessment of supply.

In that context, the Policy then lists four factors that should be taken into account by boroughs when setting their targets. They are:

- the strategic London-wide target for affordable housing (50%);
- within that, the London-wide objective that there should be 70% social housing and 30% intermediate housing provision;
- the promotion of mixed and balanced communities; and
- the most robust available assessment of housing capacity and potential sources of supply.

- 4.5 Thus there are six factors to be taken into account by boroughs when setting targets in their DPDs. Supplementary guidance is given on each of these below.
- 4.6 Local policies are not required to give primacy to any one of these factors and their main concern should be to ensure that their local targets are based on robust evidence of need, capacity and deliverability – as required by PPS3. Setting targets is not an end in itself, outcomes are more important in meeting Objective 2 of the Plan. Local targets can be expressed as percentages or as absolute numbers – it is for the borough to determine the most effective form for implementing affordable housing policy.
- 4.7 As required by the GLA Act, the Mayor’s strategies (in this case the London Plan and the London Housing Strategy) need to be closely integrated. This SPG therefore reflects the policies set out in the London Housing Strategy, including the need to make the most effective use of public sector investment and the Mayor’s objective of delivering 50,000 affordable homes in 2008 – 2011 (which includes acquisitions of existing homes as well as new development).
- 4.8 The following section gives guidance on the factors to be taken into account in setting their DPD targets:
- i) An assessment of all housing needs**
- 4.9 Housing needs assessments should have regard to the London-wide housing needs assessment set out in the London Plan. Implementation of the Plan should be informed by the 2008 London SHMA and the joint GLA/GOL statement on SHMA reproduced in Annex 2 of this SPG, and to the context and priorities set out in the London Housing Strategy.
- 4.10 Boroughs should also have regard to more local assessments of need, within the regional and sub regional context as indicated below.
- 4.11 In assessing housing need, a borough should assess the need for supported and specialist housing in accordance with Policy 3A.13 in the London Plan. The assessment should review the extent to which such households will require affordable provision on the basis of being unable to access market provision. This assessment<sup>4</sup> should take into account the ability of households to meet support costs as well as housing costs in accordance with CLG’s SHMA guidance; and should be linked to borough Supporting People strategies, see also section 1 of the Mayor’s 2010 London Housing Strategy.

- 4.12 Where, in conjunction with neighbouring authorities, a requirement for student housing provision is identified, a separate monitoring target for student provision may be set, either in proportionate or numerical terms, in addition to the overall affordable housing target.
- 4.13 In setting an overall affordable housing target, boroughs should recognise that public investment in additional affordable housing provision (primarily through the HCA) is on the basis of a proportion of lettings being pooled on a sub-regional and/or regional basis relative to housing need. This is because all affordable housing policies and actions must address regional as well as local requirements. It also reflects the mismatch between the spatial distribution of housing need and spatial distribution of housing capacity.

**ii) A realistic assessment of supply**

- 4.14 A distinction needs to be drawn between capacity, potential supply and physical development or provision. This sub-section looks at supply. Capacity is considered in section vi below.
- 4.15 In terms of supply, the London Plan Annual Monitoring Reports<sup>xii</sup> outline housing starts and other relevant indicators. Boroughs should also use information from their housing trajectories and other sources of information (such as 5 and 15 year land supplies) as required by PPS3.
- 4.16 Thus, in terms of potential supply, the planning system has, over the past five years, delivered sufficient permissions to enable an adequate supply of housing to be brought forward to meet the London Plan targets in the short term. It will be important for boroughs to ensure that, as they set their targets for the future, these will be sufficient to enable the market to maintain a sufficient pipeline supply (see also the PPS3 requirement, paragraphs on capacity below, the London Plan AMR and Annex 3 on arrangements for rolling forward housing targets).
- 4.17 However, it is recognised that in the current recession, it will be difficult to ensure that applications continue to come forward, even where suitable sites are identified. It will be even more difficult to ensure that development takes place to turn the pipeline into completions. The Mayor is working with the HCA, boroughs, housebuilders and others to identify ways of continuing to increase the overall supply of housing.
- 4.18 Boroughs will also need to give careful attention to Para 29 of PPS3 when assessing potential supply, as stressed in the judgement in the Blyth Valley Borough Council case<sup>xiii</sup>. Lord Justice Keene emphasised the relevant part of Paragraph 29, that the borough target for affordable housing should also reflect “an assessment of the likely economic viability of land for housing in the area, taking account of the risks to delivery and drawing on informed assessments of the likely levels of finance available for affordable housing, including public subsidy and the level of developer contribution that can reasonably be secured....”
- 4.19 In the current uncertain economic climate, assessments of economic viability will be all the more important, and boroughs should make use of the Three Dragons Toolkit and/or other toolkits to assess viability. Boroughs are encouraged to

continue to work with the Mayor, London Councils and the HCA to examine how the supply of required housing of all kinds can be maintained over the short to medium term. The funding regimes will be critical to these efforts, and more information is given in the Mayor's London Housing Strategy.

- 4.20 Until new housing targets are formally published in the replacement London Plan, GOL and GLA have advised boroughs to roll forward the first ten years of the current target (see Annex 3 on the Joint Statement) and to acknowledge that they will bring forward alterations once the relevant data is available.
- 4.21 To ensure conformity with the London Plan, alternative targets drawing on local needs assessment must also take demonstrable account of strategic and of the estimates of housing capacity and provision in the Strategic Housing Land Availability Assessment<sup>xliii</sup>.
- 4.22 In summary, Borough assessments should take full account of regional as well as local need, the longer term picture and the availability of public subsidy.

**iii) The 2008 strategic target for affordable housing (50%)**

- 4.23 In the context of implementing Policy 3A.9, boroughs should take account of the housing investment targets in the London Housing Strategy, including its objective of delivering 50,000 affordable homes by 2012. These targets assist in providing some degree of certainty over the delivery of affordable housing. However, it must be recognised that these are housing investment, not planning targets. That is, they measure a wider range of delivery, including non-new build, and are specifically tied to the investment available in the 2008-11 spending round.
- 4.24 The Consolidated London Plan does not require a regional target for affordable housing to be achieved as local policy. Policy 3A.9 instead refers to "the Mayor's strategic target for affordable housing" as one of the several factors to be "taken into account" when boroughs set their overall requirements for affordable housing.
- 4.25 It is important that the strategic target (50%) does not constrain affordable housing provision. The overall intent of policy is to maximise reasonable provision. The policy requirement is thus for a borough-wide target for affordable housing provision to be set, in compliance with PPS3, Paragraph 29. Paragraph 28 of the PPS also requires RSSs (including the London Plan) to "set out the regional approach to addressing affordable housing needs, including the affordable target for the region and each housing market area" – which it does (see above).
- 4.26 The issue of "relevant market areas" is addressed above.

**iv) The 2008 London-wide objective that there should be 70% social housing and 30% intermediate provision**

- 4.27 Boroughs should set targets for the disaggregation of affordable housing between social housing and intermediate housing provision. In setting borough targets for social housing and intermediate provision, boroughs must take into account the following factors:

- the London-wide objective of 70% social housing and 30% intermediate provision set out in the London Plan;
- the relative need for social housing and intermediate housing within both the borough and the wider sub-region, in terms of household income and access to market provision, and how this changes over time; and
- considerations of achievability; to date the 70/30 split has not been achieved. For the three years 2008-11, the London Housing Strategy sets out an affordable housing delivery programme split 60%/40% between social and intermediate housing, although this includes non new build delivery as well as new build. The Mayor has made clear his intention, within the context of PPS3, to change London Plan policy to move towards a higher proportion of shared ownership and other intermediate housing.

4.28 Again, it is important that the Mayor's strategies are aligned. The Housing Strategy is shorter term and focuses on practical implementation. The London Plan provides support for achievement of the shorter term objectives of the Housing Strategy in the context of the longer term, up to 2026.

4.29 See also paragraphs 4.40 – 4.42 below for guidance on achieving an appropriate ratio on individual sites.

**v) The promotion of mixed and balanced communities**

4.30 'Mixed and balanced communities' are a key priority for the Mayor (Policy 3A.9). Their importance is also reinforced in PPS3 (see paragraphs 20-24). Mixed and balanced communities require a balance of household types and income groups and cannot be achieved solely by setting a specific tenure mix for a new development, and certainly not one based purely on a strategic aspiration.

4.31 The particular concern for affordable housing in this respect is focussed on the relationship between social and intermediate housing. Introduction of a higher proportion of intermediate housing may be appropriate in areas where there is an existing concentration of social housing taking account of scope for wider neighbourhood renewal. Further advice is given in the section iv above and Para 4.43.

4.32 The London Housing Strategy also gives guidance on a range of matters relating to creation of mixed and balanced communities – see in particular Section 1.

4.33 Finally, guidance is given on the achievement of mix on individual sites in the paras 4.40 – 4.42 below.

**vi) The most robust available assessment of housing capacity and potential sources of supply.**

4.34 Assessments of housing capacity need to be considered in conjunction with housing supply and delivery, as set out in section ii above. The housing targets in the 2008 Consolidated London Plan draw on the GLA's Housing Capacity Study 2004. A new Strategic Housing Land Availability Assessment/ London Housing Capacity Study<sup>xiv</sup> has informed the draft targets proposed in the replacement London Plan.

4.35 Looking to the future, by way of guidance, boroughs with limited capacity relative to their needs will require access to supply in other boroughs, while boroughs

with high capacity relative to their needs, will be in a position to support affordable housing provision to contribute to meeting the needs of other boroughs.

### **Supplementary Planning Guidance 3: Affordable housing targets**

In implementing London Plan housing policies and especially Policy 3A.5, the Mayor will, and Boroughs and other partners are advised that:

- local affordable housing targets should be based on an assessment of all needs AND a realistic assessment of supply, and that
- the strategic London Plan target that 50% of provision should be affordable is not a local target, and is only one of several factors to be taken into account when setting a local target.

the other 'needs-side' factors are:

- regional and local assessments of needs (see section i above)
- the 2008 pan London (but not local) objective for 70% of affordable housing to be for social renting and 30% for intermediate housing (see section iv above and Paras 4.40 – 4.42 below).
- promotion of mixed and balanced communities: a particular concern of PPS3 and the Mayors draft London Housing Strategy

the 'supply-side' factors are specified in the policy as:

- local authority developments, including net gain from estate regeneration
- affordable housing schemes funded independently of planning contributions from private development
- affordable housing secured through planning agreements or conditions on private residential or mixed use (including residential) development
- long term vacant properties brought back into use.

In setting borough targets for social and intermediate provision boroughs should take into account:

- relative need for different types of affordable housing both locally and sub regionally as indicated by local and sub regional SHMAs informed by the new pan London SHMA
- considerations of achievability including resource availability and allocation indicated such as is indicated in the Mayor's draft London Housing Strategy
- the different components of need for intermediate housing, as well as,
- the 70/30 split indicated in Policy 3A.9 as a 20 year, pan London aspiration and not as a local target.

In view of the Blyth Valley judgement (Para 4.18) on making clear whether an authority has undertaken assessments of the likely economic viability of land for housing ... taking account of risks to delivery ... and informed assessments of the likely levels of finance for affordable housing, boroughs should:

- when presenting relevant DPDs to EiPs, make clear whether or not they have undertaken such an assessment
- take into account existing and expected levels of public investment to support affordable housing provision
- note that PPS3 does not explicitly require targets to be expressed as proportions, thus providing the flexibility to express them as amounts to facilitate closer integration between housing and planning objectives .

## **NEGOTIATING THE PROVISION OF AFFORDABLE HOUSING IN INDIVIDUAL PRIVATE RESIDENTIAL OR MIXED USE SCHEMES**

### **Policy 3A.10 Negotiating affordable housing in individual private residential and mixed-use schemes**

Boroughs should seek the maximum reasonable amount of affordable housing when negotiating on individual private residential and mixed-use schemes, having regard to their affordable housing targets adopted in line with Policy 3A.7, the need to encourage rather than restrain residential development and the individual circumstances of the site. Targets should be applied flexibly, taking account of individual site costs, the availability of public subsidy and other requirements.

- 4.36 The strategic target for the provision of affordable housing is not intended to be applied on a site-by-site basis. The London Plan makes this clear in Paragraph 3.53. The intention of Policy 3A.10 is to “seek the maximum reasonable amount of affordable housing”, stressing the need to “encourage rather than restrain residential development” overall and the need for local targets to be “applied flexibly taking account of individual site costs, the availability of public subsidy and other scheme requirements.”

### **Site suitability**

- 4.37 Any site suitable for housing provision should normally be considered suitable to provide some affordable housing, and Policy 3A.11 makes clear that affordable housing policy must be applied to all sites with capacity to provide 10 or more homes. While site constraints may limit the provision of family housing, this should not preclude the provision of affordable housing for households without children, whether as social housing or as intermediate provision. Off-site provision should only be made in the circumstances set out in paras 4.57 – 4.58 below.

### **Basis for determining affordable housing outcome**

- 4.38 In negotiating the provision of affordable housing in individual schemes, boroughs should seek the maximum reasonable amount of affordable housing, having regard to:
- the borough’s overall affordable housing target set out in DPDs in accordance with the guidance in section 4 above;
  - the suitability of the site for different forms of provision, and

- the economics of site development, taking into account individual site costs, the availability of public subsidy, and where appropriate, other planning requirements<sup>xiv</sup>.

4.39 Where a borough has not as yet adopted a borough-wide target which is consistent with London Plan Policy 3A.9, it should nevertheless seek to obtain the maximum reasonable amount of affordable housing, having regard to the other factors set out in Policy 3A.10.

4.40 A borough should therefore first determine the preferred mix for the site, both in terms of mix of tenure (between market housing, social housing and intermediate housing), mix of unit size and mix of types of provision and should take into account the need to maximise all available sources of public investment to deliver the optimum scheme profile. This should be based on its assessment of needs for different types of provision (taking account regional assessment of needs), including the need for family dwellings, and adjusted to reflect locational factors, design factors and policy on density including the application of the SRQ matrix (see section 3 of this guidance) to the specific site. This should include consideration of access to public transport.

4.41 Both private developers and housing associations providing social housing or intermediate housing with public subsidy should have regard to the good practice set out in the emerging London Housing Design Guide<sup>xvi</sup> which will apply to all housing development on LDA owned land and to housing receiving public subsidy from April 2011.

### **Calculation of amount of affordable housing**

4.42 The calculation is sometimes undertaken in terms of dwellings. However, there is generally a differential mix requirement for different types of provision – social housing, intermediate provision and market provision. Where the affordable housing categories involve dwellings with larger numbers of habitable rooms per dwelling, or different sizes of habitable rooms within different tenures, it may be more appropriate for the calculation of the affordable housing proportion to be in terms of habitable rooms or floorspace. The affordable housing proportion should be calculated in relation to gross rather than net provision, except in relation to estate regeneration. In calculating the proportion of provision which is affordable, live/work units should be treated as housing provision to which an affordable housing requirement should be applied.

### **Mix of social rent and intermediate provision and mix of housing types on a specific site**

4.43 In determining the appropriate balance between social rented provision and intermediate provision on a specific site relative to the overall London-wide objective as set out in paras 4.22 – 4.26 above, a borough must have regard to local, sub-regional and regional housing needs that could be met through the proposed development, including:

- The unit mix requirements for different affordable housing tenures (also see Para 3.16). Higher density developments in town centre locations may not be appropriate for households with children. Lower density schemes provide an opportunity for higher proportions of both social housing and intermediate family provision. However, housing requirements should

generally determine mix, built form and density not vice versa. See also paras 4.9 – 4.13 on housing needs assessment above.

- The site location in terms of community facilities. Sites with limited access to existing or planned schools will generally not be appropriate for significant proportions of family sized housing. On larger sites, new community facilities will need to be planned in accordance with Consolidated Plan Policies 3A.7 and 3A.18 and the SPG on Meeting the Spatial Needs of London's Diverse Population.

- 4.44 Sites in neighbourhoods with significantly above average proportion of existing social rented provision may be appropriate for a higher proportion of intermediate housing provision in the affordable housing mix. Conversely, sites in areas with significantly lower levels of social rented housing than the average may be appropriate for a higher proportion of social rented provision. Analysis to inform decision on such mixes should be undertaken at a neighbourhood level, not across the borough as a whole.
- 4.45 The mix of social and intermediate housing on small to medium-sized sites should take account of the existing provision in the “natural neighbourhood” of the site, or the Middle Super Output Area or postcode sector in which it is situated. New developments of 500 homes or more should be large enough to ‘set their own context’. They should therefore be able to provide the basis for more mixed and sustainable communities as set out in the London Plan (Policy 3A.7) and should take account of the need to meet overall affordable housing targets.

### **Assessment of economic viability of development**

- 4.46 The London Plan makes clear that there is a need to encourage rather than restrain residential development. Boroughs must consider the economic viability of the preferred outcome, the potential of the site value to contribute to funding the cost of affordable housing provision and the availability of public subsidy and investment to support affordable housing on the development. Where costs are relatively high, and/or sale values are relatively low, the potential for site value to support affordable housing provision may be limited. Conversely, where sales values are high, the requirement for direct subsidy may be limited as the required affordable housing output may be fundable primarily if, not entirely, from site value.
- 4.47 Regardless of site values, however, a borough's planning policies should not assume as their starting point that public sector investment is required simply because affordable housing is being delivered. Boroughs should at an early stage in the planning process make an assessment of the scope for provision of affordable homes on the site without public subsidy, informed by a robust financial appraisal (see below). Where a case is made for public subsidy, the borough should ensure that this investment results in a better outcome in terms of overall numbers of homes, tenure mix and bedroom size than a development without any public investment (see funding criteria for public subsidy post April 2011 in the emerging Housing Design Guide).
- 4.48 Financial appraisal is essential to ensuring that public subsidy is used effectively, and that the maximum reasonable affordable housing output is achieved from a development consistent with the objectives of achieving a mixed and balanced community while enabling the overall development to be viable. Applicants for

planning permission are encouraged to submit appraisals to accompany their application. The Mayor and Boroughs should where requested respect the confidentiality of any financial information which is provided as part of an appraisal. Appraisals will also be required by applicant housing associations in bidding for public subsidy from the HCA. Both developers and housing associations are encouraged to have discussions with the planning and housing departments of the relevant borough and with the HCA at an early stage, and in advance of submitting an application or bid. It is advisable for such discussions to be project-specific, and to involve all parties on the basis of sharing site-specific information and appraisals. Such discussions should be undertaken for all schemes on private residential or mixed-use sites where public investment is sought.

- 4.49 Where an application is referable to the Mayor, the GLA would expect the financial appraisal to be included in the referral documentation. This should be undertaken at the stage 1 referral stage. If it is not provided at this point, the Mayor's planning decisions staff will request either that it be submitted, or that the information necessary for the GLA to carry out the appraisal itself be provided. Boroughs with limited staff resources may wish to prioritise significant schemes where social housing grant may be required for full financial appraisals, rather than carry out full appraisals on all projects below the strategic referrals threshold.
- 4.50 If the necessary information is not provided, any recommendation to the Mayor will be conditional upon provision of an appraisal or information before the stage 2 report on the basis of which the Mayor decides whether or not to make a direction on an application. If necessary the GLA will contact the HCA and borough housing and planning departments to check whether the HCA can provide confirmation of its investment decision and the timetable for investment.
- 4.51 In projects being developed in phases it may be necessary to reach separate agreements on grant and affordable housing outturn on different phases. It may be appropriate, on agreement between the parties, that each phase should be subject to a separate planning application. In the case of a single application for a phased scheme, where the availability of grant is not guaranteed for all phases, any decision by the Mayor will be conditional upon agreed affordable housing targets for the whole project being achieved.
- 4.52 In undertaking an economic viability assessment of a specific housing outcome, the borough should take into account the impact of any planning obligations sought for benefits other than affordable housing, recognising that requirements for contributions to schools, environmental improvements, transport or social infrastructure, may limit the number and mix of affordable homes. Policy 6A.4 sets out the London Plan's priorities for planning obligations. It has recently been formally altered in order to enable contributions towards the cost of Crossrail to be sought from commercial and mixed use development and mixed use (further guidance is provided in the Crossrail SPG<sup>xviii</sup>) The practical effect of this policy is likely to be felt on mixed use developments in central London and, where appropriate, in the areas around Crossrail stations in outer London.
- 4.53 Boroughs will also need to take account of the relationship between S106 agreements and the proposed Community Infrastructure Levy.
- 4.54 In assessing the economic viability of a specific outcome, boroughs should and developers are encouraged to make realistic assumptions as to the availability of

public sector investment based on early discussion and agreement with the HCA. They should take account of the need to secure the maximum investment for the preferred scheme mix. Such discussions should normally involve an HCA investment partner eligible to receive public subsidy. These should be involved at the earliest possible stage of the planning process. Where public investment is required to achieve a specific outcome, the local authority should seek to confirm availability before concluding a S106 agreement with the applicant.

- 4.55 The GLA sponsors a toolkit to assist both boroughs and applicants in assessing the extent to which site value can support a range of affordable housing options. The Affordable Housing Development Control toolkit, developed by Three Dragons and the Centre for Residential Development at Nottingham Trent University, has been made available to London boroughs and they are encouraged to use it. It is also available from the GLA for purchase by other parties. The toolkit has been revised by the GLA to incorporate updated costs and values. Further details of the data sources and methodology are set out in the toolkit guidance notes<sup>xlviii</sup>.
- 4.56 Other financial appraisal methodologies may be applicable, especially in the case of complex mixed-use schemes. They should be benchmarked to the Three Dragons Toolkit. Consideration should be given to the use of independent valuation advice, such as that provided by the Valuation Office Agency. Planning applications for residential development referred to the Mayor will need to be accompanied by a comprehensive economic viability assessment, submitted to the local planning authority. He will also take into account the overall proportion of affordable housing, the split between social and intermediate housing and the bedroom mix proposed.

### **Combining S106 contributions and public sector investment**

- 4.57 The availability of public sector investment will generally be a critical factor in determining the viability of a scheme. The HCA has made clear that before investment can be considered for a scheme involving a S106 contribution, a financial appraisal will be required to demonstrate that public subsidy is needed to achieve the desired policy outcome. The financial appraisal should be undertaken before any application for investment is made and before any decision in relation to the relevant planning application is taken. Otherwise there is a risk that a scheme may not be deliverable. The process for ensuring schemes combining public sector investment and S106 contributions are deliverable is set out below.
- 4.58 In line with ATLAS advice<sup>xlix</sup>, in exceptional circumstances where the availability of grant is not known, S106 agreements should include a cascade agreement, based on financial appraisal, which links the required affordable housing output to the availability of grant. Based on a robust financial appraisal, this agreement should specify the range of affordable housing that can be delivered on the scheme given different levels and types of public sector investment. The upper level of this range should be the preferred affordable housing output for the site, having regard to London Plan policy to seek the maximum reasonable amount of affordable housing (Policy 3A.10). The minimum affordable output should be that where public investment would not be available. Cascade agreement should allow for the preferred level of affordable output to be reduced if the required level of public investment should not be available and increased if additional grant is made available. The need for cascade agreement in these circumstances points to

the importance of boroughs, developers and the HCA working together at an early stage to maximise certainty in funding arrangements.

4.59 In making arrangements for assessing planning obligations in order to:

- take account of implementation of policy to maximise reasonable affordable housing provision, and
- address economic uncertainties which may arise over the lifetime of the proposal,

consideration should be given as to whether it is appropriate in these circumstances to put in place provisions for re-appraising the viability of schemes or phases prior to implementation in whole or in part (also known as Contingent Obligations). Such provisions are sometimes incorrectly called “overage” provisions.

4.60 These arrangements must address the requirements of Circular 5/05, which can provide the basis for securing affordable housing, as well as recognising that applications must be determined on the basis of the information available at the time whilst taking account of the fact that viability may be different at the time of implementation.

4.61 Where a large scheme is built out in phases consideration should be given to a reappraisal mechanism which specifies the scope of a review of viability for each phase of the development. For schemes with a shorter development term, consideration should be given to using short-term permissions or to using S106 clauses to trigger a review of viability, if a scheme is not substantially complete by a certain date. Such approaches are intended to support effective and equitable implementation of planning policy while also providing flexibility to address viability concerns such as those arising from market uncertainty.

4.62 In making arrangements for ‘re-appraisal’ provisions, boroughs should be mindful of the need to:

- identify the point in time at which the reappraisal review should be carried out;
- establish on a case-by-case basis a threshold level(s) of viability at which planning obligation contributions will be ascertained; and
- set out the expectation for additional homes on or off site, or for receiving a financial contribution.

## **Off-site provision**

4.63 Affordable housing provision should normally be provided as an integral element of a residential development. Examples of exceptional circumstances where off-site provision may be considered include sites where there are existing concentrations of particular types of social housing and there are demonstrable benefits to be gained by providing new units in a different location, such as to

- create more mixed communities,
- provide a particular type of housing, such as family housing;
- provide more units than is possible on the principle site, or
- where it might compromise broader planning objectives such as securing strategically important clusters of economic activities in parts of the Central Activities Zone.

4.64 Consideration should only be given to off-site provision where an alternative site or sites have been identified which would enable affordable housing provision more appropriate to the identified needs to be met and where the project is deliverable prior to the on site market development being completed. Exceptions may be allowed in order to create the establishment of an “affordable housing pot” – where resources can be pooled to enable a more significant affordable housing development to take place off-site – in compliance with ODPM Circular 5/05. Agreements for off-site provision should be financially neutral in terms of the benefit to the applicant relative to on-site provision requirements.

4.65 Boroughs should publish their policy on contributions for off-site provision, which demonstrate that both the criteria above have been applied and that contributions can be utilised within a short timescale to provide a more appropriate output than could be achieved through on site provision. S106 agreements in relation to off-site provision must comply with appropriate national planning guidance including Circular 5/2005.

4.66 There are particular issues with securing affordable housing in the unique circumstances of CAZ. As a general principle on site provision should be sought. In light of the local circumstances of CAZ boroughs should set out policy having regard to Policy 5G.3 and Para 5.178 of the Consolidated London Plan.

## **Schemes not dependent on contributions from development value**

4.67 Schemes consisting entirely or mostly of affordable housing and with no contribution from development value may not require financial appraisals for planning purposes, although the HCA’s own investment criteria will need to be satisfied if it is to contribute funding. Where the local authority, housing association or other developer is seeking to include an element of market development within a project, this should be on the basis of providing a financial contribution to the affordable housing provision. There is no requirement for a housing association led scheme to include an element of market provision, though in areas which are primarily existing social rented housing, such an option may contribute to the objective of achieving a more mixed or balanced neighbourhood. There is no restriction on any specific site providing solely affordable provision, though a mix of social rented and intermediate provision will

normally be appropriate on larger sites, having regard to the tenure mix of the surrounding neighbourhood.

### **Affordable housing provision on mixed-use sites**

- 4.68 Policies 4B.1 and 4B.2 in the London Plan promote appropriate mixed-use development. Policy 4B.1 specifically promotes the development of housing within mixed-use schemes that includes commercial, retail and other uses. Release of unused or underused employment land for housing purposes is also consistent with PPS3 subject to policies in the London Plan dealing with industrial location and the managed approach to release of genuinely surplus industrial land outlined in the Industrial Capacity SPG. Mixed-use can be especially appropriate in town centre locations (including retail capacity where appropriate) or on genuinely underused employment sites outside SILs and Locally Significant Industrial Areas, where, subject to industrial demand assessments, housing may be provided through a more intensive use of the site but only if it does not compromise the viability and functioning of the remaining and nearby employment activities. In such cases, neighbouring uses should be appropriate, recognising the balance to be struck between sustaining economic activities in line with the Industrial Capacity SPG, and increasing housing provision.
- 4.69 Viability appraisals should take into account the distinct potential of mixed use development to contribute to the achievement of affordable housing policy objectives. This is particularly the case for the use of low value industrial land (see Para 4.45). In assessing the appropriate level of affordable housing to be provided, reference should be made to the information on comparative values for different uses and financial viability which is contained in the GLA research report on Mixed Use Development and Affordable Housing.

#### **Supplementary Planning Guidance 4: Affordable housing on individual sites**

In implementing London Plan housing policies and especially Policy 3A.10, the Mayor will, and Boroughs and other partners are advised that:

- the primary aim of policy 3A.10 is to seek the maximum reasonable amount of affordable housing on a site having regard to a range of strategic factors which include the affordable housing target set out in a borough's DPDs .
- this target should have been devised along the lines set out above in which the long term, London-wide 50% target was only one of several factors used in its derivation. It may not be appropriate to use only the local borough wide target, much less the 50% strategic target, as the basis for negotiations on individual sites BUT each individual site must make the appropriate contribution to the achievement of the overall target.

The other strategic factors which should be taken into account are:

- the need to encourage rather than restrain housing development, and
- individual circumstances of the site, as well as
- applying the targets flexibly, taking account of individual site costs, the availability of public subsidy and other requirements.

- calculation of the relative amount of affordable housing in a private development proposal is often more usefully done on the basis of habitable rooms or floorspace rather than units, especially when securing affordable family housing.
- assessment of the mix of social and intermediate provision and dwelling types on a site should take account of local, sub regional and strategic needs, the unit mix requirements for different tenures, site location in relation to community facilities, access to employment and the creation of balanced, sustainable communities including recognition of the tenure composition of neighbouring communities – the creation of mono-tenure neighbourhoods should be avoided.
- assessment of the economic viability of a site to provide the maximum reasonable amount of affordable housing should be informed by independent development appraisals, preferably benchmarked against the GLA affordable housing toolkit, close partnership working with the private developer and associated public sector partner RSL, and early engagement with the HCA to secure the level of public sector investment required to deliver the optimum scheme profile.
- in appropriate cases cascade, re-appraisal of viability prior to implementation (or contingent obligations) and off-site provision agreements should be secured through planning obligations.

## Annex 1

### London Plan Policy 3C.23 Parking strategy

1 The Mayor, in conjunction with boroughs, will seek to ensure that on-site car parking at new developments is the minimum necessary and that there is no over-provision that could undermine the use of more sustainable non-car modes. The only exception to this approach will be to ensure that developments are accessible for disabled people. DPD policies and Local Implementation Plans should:

- adopt on- and off-street parking policies that encourage access by sustainable means of transport, assist in limiting the use of the car and contribute to minimising road traffic
- adopt the maximum parking standards set out in the London Plan annex on parking standards (Annex 4) where appropriate, taking account of local circumstances and allowing for reduced car parking provision in areas of good transport accessibility
- reduce the amount of existing, private, non-residential parking, as opportunities arise
- recognise the needs of disabled people and provide adequate parking for them
- take account of the needs of business for delivery and servicing movements
- provide adequate facilities for coaches that minimise impact on the road network capacity and are off-road wherever possible
- generally resist the introduction of temporary car parks
- encourage good standards of car parking design
- seek to re-allocate space to provide for cycle parking where this does not meet the recommended levels of provision in TfL’s cycle parking standards.

### London Plan Annex 4

#### Residential car parking standards

1 Public transport accessibility should be used to assist in determining the appropriate level of car parking provision, particularly for major developments. Maximum residential parking standards are set out in Table A4.2.

**table A4.2 Maximum Residential Car Parking Standards**

Predominant housing type	4+ bed units	3 bed units	1 – 2 bed units
Car parking provision	2 – 1.5 spaces per unit	1.5 – 1 space per unit	1 to less than 1 space per unit*

\* All developments in areas of good public transport accessibility and/or town centres should aim for less than 1 space per unit. The needs of disabled residents will need to be taken into account in

developments with low car parking provision, so that adequate spaces, either on site or convenient dedicated on-street spaces, are identified for occupants.

- 2 Overall residential standards are consistent with PPG 3, which requires that on average car parking should not exceed 1.5 off-street spaces per dwelling, particularly in urban areas. 4+ bed units will form a small part of the overall growth in housing, and the maximum standard for these larger properties of up to two spaces recognises the impracticality of imposing a lower standard for houses with garages and for large detached houses. The substantial majority of new housing development will be higher density houses and flats which have a maximum standard of 1.5 or below, so on average car parking is not expected to exceed 1.5 off-street spaces per dwelling.
- 3 Residential development with lower car parking provision is encouraged in areas with high PTAL scores and/or close to town centres. An element of car-free housing should be included where accessibility and type of housing allows.

### **Mixed use and large multi unit developments**

- 4 It is not possible to prescribe parking standards for mixed/multi-use developments as these differ widely. The key to identifying parking provision lies in a Transport Assessment supported by impact studies of large mixed use developments. It is expected that parking provision for mixed use developments will be significantly lower than national standards in PPG 13 to reflect the higher levels of public transport access within London.
- 5 The time profiles of car parking demand vary according to use. If the estimated peak parking demands for each element are simply added together, the total will generally exceed the actual peak parking demand for the development as a whole. Such over-provision should be avoided through appropriate analysis. The total parking provision will therefore be less than the sum of each individual element.
- 6 Trip rates for retail parks are significantly lower than for most of the individual elements in isolation. Parking provision should be reduced correspondingly. Linked trip-making can reduce parking demand by up to 50 per cent, and 25 per cent appears readily attainable. Account should also be taken of improvements in public transport. Developers should demonstrate such effects in their Transport Assessment.

### **Provision for taxis, coaches and buses**

- 7 All large developments should provide for appropriate taxi ranks and coach/bus parking/stands. Consideration of these will form part of the development's Transport Assessment. More details of these facilities are provided in the Land for Transport Functions SPG.

### **Parking for disabled people**

- 8 Policy 3C.23 recognises that developments should always include provision for car parking/car based access for disabled people. Despite improvements to public transport, some disabled people still require the use of private cars. Suitable designated car parking and drop-offs are therefore required. Boroughs

should take into account local issues and estimates of local demand in setting appropriate standards and should develop a monitoring and enforcement strategy which includes actions that prevent the misuse of spaces.

- 9 Boroughs should take a flexible approach, but developments should have at least one accessible on or off street car parking bay designated for use by disabled people, even if no general parking is provided. All developments with associated off street car parking should have at least two parking bays for use by disabled people. The appropriate number of bays will depend on the size, location and nature of the development, the existing supply of and demand for on and off street car parking, and the accessibility of the local area. For proposed developments with only one car parking space, applicants should survey and assess the demand and accessibility of existing facilities to demonstrate where disabled drivers can park in order to easily use the development. The Mayor has published Supplementary Planning Guidance called 'Accessible London', which provides detailed guidance on accessibility for disabled people.

### **Cycle parking**

- 10 Developments should provide for sufficient secure cycle parking and supporting facilities in accordance with PPG 13 and the Transport Strategy. TfL has adopted cycle parking standards for its own schemes and these should form the basis for standards in LDFs. The Mayor will use/apply these standards in considering applications for strategic developments.

### **Motor cycle parking**

- 11 Developments should provide for appropriate secure motorcycle parking in accordance with PPG 13 and the Transport Strategy (Proposal 4G.1 and Paragraphs 4G.25 – 27).

## **Annex 2**

### **STRATEGIC HOUSING MARKET ASSESSMENTS IN LONDON**

#### ***Statement from Government Office for London, the Greater London Authority and London Councils***

##### **The issue**

1. In 2007, Communities and Local Government (CLG) published guidance on carrying out Strategic Housing Market Assessments (SHMA). This included a set of related Annexes<sup>1</sup>, and an advice note on identifying sub-regional housing market areas<sup>2</sup>. Related to this, PPS3, paragraph 6 asks local planning authorities and the Mayor of London to consider the extent to which emerging Local Development Documents and Regional Spatial Strategies can have regard to the policies in PPS3 whilst maintaining plan-making programmes.
2. CLG guidance encourages local authorities to assess housing need and demand in terms of housing market areas. This involves working with other local authorities in a sub-regional housing market area, through a housing market partnership. Having regard to paragraph 10 of the CLG advice note, the Government Office for London (GOL), the Greater London Authority (GLA) and London Councils are agreed that the London region represents an appropriate spatial level of analysis for understanding housing markets as well as enabling a co-ordinated approach to evidence base work and policy-making across the region.
3. However, a comprehensive, London-wide SHMA that provides robust results at both regional and local level would be a complex and lengthy undertaking and will therefore not provide the evidence needed in the short-term. For now, a twin-track approach is more appropriate. This statement describes the agreed position of GOL, the GLA and London Councils on how this interim approach might work.

##### **Short-term approach**

4. At regional level, the GLA will carry out a Regional SHMA by May 2008, to provide evidence to support the Mayor's draft Housing Strategy and the future development of the London Plan. This will provide robust evidence of the size and tenure mix of housing requirements at the regional level and more explicit consideration of housing markets trends than the existing 2004 Housing Requirements Study (HRS).
5. Many London boroughs, at different stages in their plan preparation processes, require robust new evidence to support emerging policies at independent examinations, which the GLA regional up-date will not provide. An alternative of thirty three individual boroughs seeking to carry out housing market assessments is not attractive. Single-borough studies are unlikely to satisfy the guidance in terms of the appropriate spatial level of analysis, and would be

unlikely to meet the requirements of the process checklist set out in the CLG guidance (Figure 1.2), especially that housing market conditions are assessed within the context of the housing market area.

6. GOL, GLA and London Councils believe that London-specific Sub-regional HMAs offer the most pragmatic, cost-effective and timely way to quickly put in place evidence that meets PPS3 requirements and that can deliver usable results to individual boroughs. Paragraph 10 of the CLG advice note states that any alternative approach must demonstrate that it is likely to provide a credible and robust means of understanding housing markets as well as enabling a co-ordinated approach to evidence base work and policy making. Paragraph 9 of the advice note also supports a pragmatic approach of grouping together local authority administrative areas as an approximation to sub-regional housing market areas.
7. These Sub-regional HMAs would be best based on the new London Plan sub-regions (identical to Housing Corporation sub-regions except for Hackney), which have the advantages of tapping into existing administrative arrangements that could facilitate conduct of studies, are well understood by key London stakeholders, and have market relevance in that their radial extent reflects major household moves and migration flows within London. Where boroughs have already commissioned studies, the scope for integration of work undertaken with sub-regional studies should be explored.
8. CLG guidance states that local authorities and regional planning bodies should develop a shared evidence base to inform the development of spatial housing policies and that regions may wish to co-ordinate a programme of SHMAs, working with local authorities. In the London context, Sub-regional HMAs should be developed with reference to the Regional SHMA and take into account the characteristics of, and relationships with, the whole region.
9. Co-ordination is key. There is a risk that sub-regional studies could develop different methodologies and, in aggregate, not provide results comparable to the London-wide study. London Councils will work with the GLA to reduce, where possible, the likelihood of this happening.
10. In line with CLG guidance, the GLA will give strategic direction to sub-regional studies. To this end, the GLA have set up a steering group for the Regional SHMA involving key London stakeholders. In turn, London Councils have organised a borough advisory group to consider the technical and strategic challenges associated with the twin-track approach (regional and sub-regional), including those arising from the London-wide study commissioned by the GLA.
11. The administrative arrangements put in place to deliver SHMAs in London will seek to maximise opportunities for complementarity and consistency between regional and sub-regional studies (see paragraph 8).
12. If any boroughs feel this approach will not meet their requirements for evidence, they should get in touch with their usual contact in the Government Office as soon as possible.

### **Longer-term approach**

13. The GLA and London Boroughs are committed to working together on future housing market assessments. In the longer-term, the GLA will work with London Councils and other stakeholders to explore the potential for a single, London-wide strategic housing market assessment that fully addresses regional and local needs for a robust and shared evidence base of housing need and demand.

### **March 2008**

#### **Annex 2 References**

No.1 The guidance and annexes are available to download here:

<http://www.communities.gov.uk/index.asp?id=1509040>

No.2 Available to download here: <http://www.communities.gov.uk/index.asp?id=1509042>

## Annex 3

### Addressing PPS3 requirements for a 15-year housing land supply (Interim Approach)

#### ***Statement from Government Office for London and the Greater London Authority***

#### **The Issue**

1. National planning policy set out in Planning Policy Statement 3<sup>1</sup> states “*Local Planning Authorities should set out in Local Development Documents (LDD) their policies and strategies for delivering the level of housing provision, including identifying broad locations and specific sites that will enable continuous delivery of housing for 15 years from the date of adoption, taking into account the level of housing provision set out in [the London Plan]*”<sup>2</sup> (see paragraph 5 below). It says Local Planning Authorities “*should consider the extent to which emerging LDDs... can have regard to the policies in this statement whilst maintaining plan making programmes*”<sup>3</sup>.
2. A comprehensive and robust pan-London assessment of housing capacity was undertaken in 2004<sup>4</sup> and provides the basis for housing targets in the London Plan to 2016/17<sup>5</sup>. These targets were subject to an Examination in Public and published in an Early Alteration to the Plan in 2006. The approach to housing capacity was also assessed with regard to PPS3 at an Examination in Public into the draft Further Alterations to the London Plan in 2007. At this EIP the Mayor restated the commitment made in the Early Alterations to review housing capacity before 2011. The Panel noted this and recommended that the Mayor produce guidance on “*how boroughs should derive indicative figures for housing provision in the period 2016 to 2026 for the purpose of LDDs during the interim period*”<sup>6</sup>.
3. The GLA and GOL have been working together to provide joint advice to boroughs that will meet the PPS3 policy requirement in a reasonable, integrated and pro-active way and avoid boroughs undertaking unnecessary, uncoordinated and costly additional work. The advice in this note sets out the approach boroughs should take in the interim (prior to the publication of a new study and review of London Plan housing targets). It also outlines the longer term approach. This note has been sent to the Planning Inspectorate and Communities and Local Government, and the authors are happy to discuss the matter further with ALBPO and other stakeholders.

#### **Current Position**

4. In London there is a strong tradition of London-wide studies to provide robust evidence on housing land supply and capacity. This strategic approach ensures consistency across boroughs, avoids unnecessary duplication of resources and is the most appropriate level at which to assess capacity in the unique circumstances of the London housing market.

5. London currently has an authoritative and robust assessment of housing capacity (2004 Housing Capacity Study, HCS), based on capacity of individual large sites and justified assumptions on small sites for the ten-year period 2007/8 – 2016/17. PPS3, however, has set out a requirement for LDDs to demonstrate a 15-year supply of land for housing from date of adoption. This would draw on information from a Strategic Housing Land Availability Assessment<sup>7</sup> (SHLAA) and/or other relevant evidence<sup>8</sup> to identify deliverable sites for the first five years, and developable sites for years 6-10 as well as, where possible, years 11-15<sup>9</sup>. In addressing the unique circumstances of London it could also incorporate assumptions on small sites and windfalls as set out in PPS3<sup>10</sup> and SHLAA Guidance Notes<sup>11</sup>. The Mayor is already committed to undertaking a new Housing Capacity/Strategic Housing Land Availability Assessment for boroughs to draw on. However, until the results from the new study are finalised, there is a transition period where boroughs may be anxious that they could be open to challenge on the tests of soundness.

### Interim Approach

6. The Further Alterations to the London Plan (FALP) EIP Panel considered the 15 year supply issue. The Panel accepted the Mayor's proposal<sup>12</sup> set out in his Briefing Notes 2 'Housing Provision after 2016/2017'<sup>13</sup> and, more particularly, 32 'Additional Note on Matter 6.4, question 1'<sup>14</sup>. This essentially states that for boroughs to demonstrate that they have identified a 15 year land supply in terms of the objectives of PPS3 and in the distinct circumstances of London, they should roll forward their annual London Plan minimum ten year housing targets (2007/8 – 16/17) to cover the required 15 year period rather than undertaking individual SHLAAs.
7. Briefing Note 2 explains that although the 2004 HCS had a twenty-year timeframe, it does not provide a robust estimate of capacity for the period beyond 2016/17. Indeed, it was not designed to do so<sup>15</sup>. The study clearly states that: *capacity allocated to Phase 4 [2016/17-2026/27] is a potential but not a predicted source of new housing*. The briefing note further clarifies that potential capacity from this period will be updated.
8. Briefing Note 2 recognises that, in the context of London's highly pressurised land market, almost all development comes from recycling previously developed land. The note stated that it was difficult to try and look forward more than ten years and results beyond this horizon tend to lack certainty and the essential robustness to meet London's future needs.
9. Briefing Note 32 goes on to make clear that *"it may therefore be considered reasonable for the Mayor to offer the kind of guidance envisaged in PPS3 by recommending that the boroughs should project the figure that is in their existing target forward to 2020 – but NOT as a target, merely as an indicative figure. This would need to contain the strong caveat that these will have to be checked and adjusted as necessary against a new Housing Capacity Study"*.
10. The Mayor indicated at the EIP that he agreed with the Panel that boroughs will need to roll forward their targets beyond 2020. This is now reflected in the

recently published London Plan, Policy 3A.1, which forms part of the development plan<sup>16</sup>.

### **Longer-term Approach**

11. The interim approach set out above is intended to provide the most robust approach to identification of a fifteen year supply of housing land based on the recently published targets and 2004 HCS, and until a new study is completed to inform review of London Plan housing targets.
12. The 2004 HCS underpinning current targets was exceptionally rigorous and appropriate to the unique circumstances of London. A new study will need to maintain this approach while addressing the policy objectives of PPS3<sup>17</sup>. The Mayor has committed to coordinating a new pan-London Housing study, which will be undertaken in these terms to inform review of housing targets in accordance with Policy 3A.1 of the London Plan. Work on this has already commenced and a draft paper proposing refinements to the previous methodology will be circulated as soon as possible.

### **March 2008**

#### **Annex 1 References:**

- No.1 Published by Communities and Local Government in November 2006.
- No.2 PPS3, Paragraph 53
- No.3 PPS3, Paragraph 6
- No.4 2004 London Housing Capacity Study available at [http://www.london.gov.uk/mayor/planning/capacity\\_study/index.jsp](http://www.london.gov.uk/mayor/planning/capacity_study/index.jsp)
- No.5 The London Plan (Consolidated with Alterations Since 2004)
- No.6 Panel Report p159 – 160: <http://www.london.gov.uk/mayor/strategies/sds/eip-report07/index.jsp>
- No.7 Communities and Local Government published practice guidance (July 2007) on how to carry out SHLAAs (CLG, Strategic Housing Land Availability Assessments Practice Guidance, TSO, 2007).
- No.8 PPS3, Paragraph 54.
- No.9 PPS3, Paragraph 55.
- No.10 PPS3, Paragraph 59.
- No.11 CLG, Strategic Housing Land Availability Assessments Practice Guidance. TSO, 2007
- No.12 Panel Report p159 – 160: <http://www.london.gov.uk/mayor/strategies/sds/eip-report07/index.jsp>
- No.13 <http://www.london.gov.uk/london-plan-eip/docs/briefings/housing.pdf>
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- No.15 Mayor of London, London Housing Capacity Methodology Study. GLA, 2003. (Page 29), available at [http://www.london.gov.uk/gla/publications/planning.jsp#hc\\_meth](http://www.london.gov.uk/gla/publications/planning.jsp#hc_meth)
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- No.17 Policy 3A.2, the London Plan, Consolidated with Alterations Since 2004 (February 2008).

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- <sup>v</sup> Communities and Local Government. Planning Policy Statement 3 (PPS3). Housing. CLG, 2006
- <sup>vi</sup> Llewelyn Davies, South Bank University, Environment Trust Associates. The Quality of London's Residential Environment, LPAC, 1994;  
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- <sup>vii</sup> Mayor of London 'Annual Monitoring Report 6' GLA 2010 P.30
- <sup>viii</sup> Mayor of London 'Annual Monitoring Report 6' GLA 2010
- <sup>ix</sup> Habitable rooms are bedrooms, living rooms, dining rooms and large kitchens
- <sup>x</sup> Mayor of London. Housing for a Compact City. GLA, 2003  
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- <sup>xi</sup> The net density of speculative housing developments in Maida Vale, Notting Hill, Belgravia or Bloomsbury often reach over 200 dwellings per hectare and three-storey Victorian and Edwardian terraces around outer London's town centres can be as high as 100 dwellings per hectare.
- <sup>xii</sup> Mayor of London. Strategic Housing Market Assessment. GLA, 2008.
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- <sup>xv</sup> Mayor of London. Providing for children's and young peoples play and informal recreation. Supplementary Planning Guidance. GLA, 2008
- <sup>xvi</sup> E.g. Housing Density: What Do Residents Think?, East Thames Housing Group/London School of Economics, 2002; and Higher Density Housing for Families: A Design and Specification Guide, London Housing Federation, October 2004.

- <sup>xvii</sup> Mayor of London. Draft London Housing Design Guide op cit
- <sup>xviii</sup> URS, Patel Taylor 2006 op cit
- <sup>xix</sup> Llewelyn Davies et al 2000 op cit
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- <sup>xxxviii</sup> Crazy Paving. The environmental importance of London's front gardens. London Assembly September 2005
- <sup>xxxix</sup> Communities & Local Government , Environment Agency op cit
- <sup>xl</sup> Communities & Local Government, 'Strategic Housing Market Assessment: Practice Guidance 2007
- <sup>xli</sup> <http://www.london.gov.uk/priorities/planning/research-reports/annual-monitoring-reports>
- <sup>xlii</sup> Persimmon Homes (North East) Ltd. V Blyth Valley Borough Council [2008] EWCA Civ 861
- <sup>xliiii</sup> Mayor of London. Strategic Housing Land Availability Assessment/Housing Capacity Study. GLA, 2009
- <sup>xliiv</sup> Mayor of London. Strategic Housing Land Availability Assessment/Housing Capacity Study. GLA, 2009
- <sup>xliv</sup> For example Crossrail. Mayor of London. Draft Crossrail SPG. - Revised following EiP Panel report. 2010 <http://www.london.gov.uk/priorities/planning/vision/london-plan/crossrail-alterations>
- <sup>xlvi</sup> Mayor of London. Draft London Housing Design Guide op cit
- <sup>xlvii</sup> Mayor of London. Draft Crossrail SPG. - Revised following EiP Panel report. 2010 <http://www.london.gov.uk/priorities/planning/vision/london-plan/crossrail-alterations>
- <sup>xlviii</sup> <http://www.london.gov.uk/who-runs-london/mayor/publications/planning/affordable-housing-development-control-toolkit>
- <sup>xlix</sup> ATLAS 2008 op cit

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### Vietnamese

Nếu bạn muốn có văn bản tài liệu này bằng ngôn ngữ của mình, hãy liên hệ theo số điện thoại hoặc địa chỉ dưới đây.

### Greek

Αν θέλετε να αποκτήσετε αντίγραφο του παρόντος εγγράφου στη δική σας γλώσσα, παρακαλείστε να επικοινωνήσετε τηλεφωνικά στον αριθμό αυτό ή ταχυδρομικά στην παρακάτω διεύθυνση.

### Turkish

Bu belgenin kendi dilinizde hazırlanmış bir nüshasını edinmek için, lütfen aşağıdaki telefon numarasını arayınız veya adrese başvurunuz.

### Punjabi

ਜੇ ਤੁਹਾਨੂੰ ਇਸ ਦਸਤਾਵੇਜ਼ ਦੀ ਕਾਪੀ ਤੁਹਾਡੀ ਆਪਣੀ ਭਾਸ਼ਾ ਵਿਚ ਚਾਹੀਦੀ ਹੈ, ਤਾਂ ਹੇਠ ਲਿਖੇ ਨੰਬਰ 'ਤੇ ਫ਼ੋਨ ਕਰੋ ਜਾਂ ਹੇਠ ਲਿਖੇ ਪਤੇ 'ਤੇ ਰਾਬਤਾ ਕਰੋ:

### Hindi

यदि आप इस दस्तावेज़ की प्रति अपनी भाषा में चाहते हैं, तो कृपया निम्नलिखित नंबर पर फोन करें अथवा नीचे दिये गये पते पर संपर्क करें

### Bengali

আপনি যদি আপনার ভাষায় এই দলিলের প্রতিলিপি (কপি) চান, তা হলে নীচের ফোন নম্বরে বা ঠিকানায় অনুগ্রহ করে যোগাযোগ করুন।

### Urdu

اگر آپ اس دستاویز کی نقل اپنی زبان میں چاہتے ہیں، تو براہ کرم نیچے دئے گئے نمبر پر فون کریں یا دئے گئے پتے پر رابطہ کریں

### Arabic

إذا أردت نسخة من هذه الوثيقة بلغتك، يرجى الاتصال برقم الهاتف أو مراسلة العنوان أدناه

### Gujarati

જો તમને આ દસ્તાવેજની નકલ તમારી ભાષામાં જોઈતી હોય તો, કૃપા કરી આપેલ નંબર ઉપર ફોન કરો અથવા નીચેના સરનામે સંપર્ક સાથો.

