

FALP EiP – written statements from London Councils

London Councils is committed to fighting for more resources for the capital and getting the best possible deal for London's 33 local authorities. We lobby key stakeholders, develop policy and do all we can to help our boroughs improve the services they deliver. We also run a range of services ourselves, designed to make life better for Londoners.

2a. Does the 2013 SHMA and the GLA's demographic projections provide a robust and full assessment of London's housing needs?

Last year London Councils undertook an assessment of figures from the Department for Communities and Local Government and the Greater London Authority which found that 526,000 new homes would need to be built in the ten-year period to 2021 just to keep pace with London's population, with a further 283,000 homes needing to be built to meet the unmet backlog of housing.

London Councils' assessment of housing need was based on data from sources including DCLG, the Office for National Statistics (ONS), the Valuation Office Agency (VOA), the English Housing Survey and the GLA.

Newly arising need was calculated based on household projections from DCLG and GLA. The housing backlog was assessed according to the following four categories:

- Overcrowding (households falling below the bedroom standard)
- Concealed (family units within other households)
- Sharing (excluding students)
- Homeless households in bed and breakfast, hostel and refuge accommodation

London Councils' projections found that total housing growth in London would be 16%, compared to 10% in the rest of England. Total households would increase from 3.278m to 3.804m, a total increase of 526,000. Households with dependent children were forecast to increase by 17% in London compared to 11% nationally. DCLG and ONS figures found that London would see an overall population growth of 14% to 2021, while the GLA forecast it would be 11-12%.

London Councils therefore takes the view that the GLA's SHMA understates the level of housing need in the capital. While it is recognised that the delivery of new London homes at the required scale identified by London Councils would be extremely challenging, it is important that the London Plan is written in recognition of the proper scale of the challenge in order that it may formulate a proportionate strategic policy response.

Matter 2a recommendations

- That the Plan acknowledges other estimates of housing demand in London
- That its objectives for growth are set in this context, with revisions as necessary

2c. The 2013 SHMA looks at housing needs at the regional level and states that 'London boroughs remain responsible for assessing their own requirements, within the policy context set by the NPPF and the London Plan'. What is the

intended relationship between these targets and the requirement in paragraph 159 of the NPPF for local plan preparation? Also, is there a potential for tension between the requirement for boroughs' local plans to be in conformity with the FALP and the requirements of paragraph 47 of the NPPF?

Paragraph 159 of the NPPF requires that local planning authorities have “a clear understanding of housing needs in their area” and that they should -

“Prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries.”

Given that the Plan is written on the presumption that the area covered by the GLA may be treated as a single housing market, it is unclear either from the wording of the NPPF or the guidance contained in the London Plan whether boroughs are expected to undertake a full SHMA for their area distinct from the London-wide SHMA.

As the NPPF remains relatively new in a planning policy context, boroughs are still reviewing and updating their local plans to ensure conformity. In the past, local assessments of housing need may have been constrained by the capacity assessments contained in the SHLAA. These would require revision in the context of the NPPF requirement for local planning authorities to assess their ‘full housing needs’. Other boroughs have never relied on the London-wide SHMA and made assessments at the borough level. Others have or are producing sub-regional SHMAs.

London Councils does not take a view on whether London can be described as a single housing market for the purpose of the NPPF or whether the London context requires boroughs to undertake a SHMA (individually or sub-regionally) separate to that of the Mayor’s London-wide survey. However, while the Plan is clear that boroughs remain responsible for assessing their own requirements, there is no clarity on how individual borough targets are related to local need.

For example, there is no detail on how supply may have been ‘redistributed’ between boroughs to account for the greater growth potential of Opportunity Areas and other major sites, and how this may affect local delivery requirements in the context of local need. This makes it difficult for boroughs to relate their local assessments to the targets set for them in the Plan and therefore to assess whether such targets are adequate in themselves for the purpose of meeting local need.

London Councils therefore believes that policy 3.3 and/or its supporting text should be reworded to provide greater clarity as to the relationship between borough-level targets set out in the Plan and the requirement for boroughs to assess and plan for housing need at a local level. In particular, there should be more detail as to whether the Mayor would consider a housing target based on augmented plan target to be compliant with the London Plan, without a separate assessment of housing need. The absence of such clarity risks undermining the strategic objectives of the Plan as need assessments will vary by borough and risk undermining the consistent delivery of the homes London needs.

Matter 2c recommendations

- Revision of Policy 3.3 and supporting text to clarify extent of boroughs' responsibility for assessing housing need
- Clarification of relationship between borough-level targets and housing need

2e. 42,000 dpa is set as a minimum figure but to what extent will boroughs be able to augment delivery to 'close the gap between identified housing need and supply in line with the requirement of the NPPF'?

London Councils recognises that boroughs are well placed to identify sites for augmenting delivery to meet the need assessed in the London-wide SHMA. Nonetheless, we are concerned that the effective delegation of responsibility to boroughs to identify sites to meet the SHMA-SHLAA gap risks undermining the strategic objectives of the plan.

The FALP notes that town centres, opportunity areas and other large sites, and surplus industrial land close to public transport can help to meet the SHMA figure in addition to the specific sites identified for delivery within the ten-year and annual monitoring targets for boroughs. While London Councils supports this as a framework, we would also note that boroughs may assess need and land availability using different methods and may conclude that their capacities are different to those set out by the FALP. Boroughs may also have different perspectives on, for example, density levels in town centre redevelopments, having sensitivity to local context. With this in mind, London Councils believes that the language of Policy 3.3 that LDF housing targets should be "augmented where possible with extra capacity" is unlikely to consistently deliver its objective of ensuring boroughs meet the gap between SHLAA and SHMA figures.

London Councils therefore believes that, in order to meet its objectives, the Plan needs to set out in further detail and with further evidence how the SHLAA figure will be augmented to meet the minimum SHMA target over the plan period. This will help enable boroughs to augment housing targets to meet the requirement set out in the SHMA. It will also help ensure that local plans continue to meet the tests of soundness set by the NPPF by establishing a more consistent strategic approach to delivery against the SHMA.

Additional detail and evidence may include, for example, the identification of specific Opportunity Areas or other large sites which could provide the greatest increment to housing growth – for example, those OAs which were best placed to deliver the highest densities. The guidance on town centres could also be revised to reflect the differing character of such centres across London. This could help realise the opportunities afforded by the best-connected centres for particularly high densities, and in turn allow for more context-sensitive redevelopment in lower-density suburban centres.

In the absence of such evidence and guidance, there may be a risk that revised local plans are found unsound as local planning authorities will be working to only a very limited framework in augmenting delivery to meet the need identified in the London-wide SHMA.

Matter 2e recommendations

- Revise the Plan to provide further evidence as to how the SHLAA figure may be augmented by boroughs to meet the minimum SHMA figure

- Revise guidance on town centres and opportunity areas to support maximum densities where most appropriate

2f. Given the need to support supply is the FALP justified in seeking to explore all avenues of supply including housing provided by the Private Rented Sector and identifying alternatives such as custom build? Also to encourage boroughs to work with developers to release stalled sites?

London Councils supports the new emphasis on the private rented sector (PRS) in the FALP, particularly in the context of town centre redevelopment where such schemes may be particularly appropriate. As London's fastest growing tenure form it is clear that there is unrealised potential for investment in this sector, and planning policy at both London-wide and local levels should reflect its key role in delivering the step change in housing delivery London needs.

We therefore welcome the addition to Policy 3.8 setting out the 'positive and practical support' that boroughs should provide to support the PRS and its role in increasing housing delivery. However, we believe the FALP should provide better guidance as to the practical steps boroughs can take to support the PRS, in particular through the local plan process.

Such detailed guidance may ensure that the laudable objective of supporting PRS investment through the FALP does not inadvertently result in other strategic objectives of the Plan being compromised, for example in the delivery of affordable housing. Without such guidance, there is a risk that local planning authorities' limited experience of handling PRS schemes will undermine the successful implementation of local and strategic planning policies.

Matter 2f recommendation

- Inclusion of further detail as to how the PRS can be supported in local plans, to ensure cohesion between support for PRS and other local and strategic planning policies

7e. Should public houses be specifically mentioned in Policy 4.8Bc?

London Councils believes that pubs, as the focal point for many high streets and local communities, should be accorded the same status as retail facilities in the Plan and should therefore be specifically identified for protection in Policy 4.8Bc. Such a revision to the policy would help support other objectives of the Plan, including those in Policy 2.15 around vitality and viability, quality and diversity sense of place of centres.

The Plan already identifies provision for public houses as a key element in maintaining 'lifetime neighbourhoods' (Policy 7.1) and the supporting text for policy 4.8 states that boroughs are 'encouraged' to bring forward policies to manage, maintain and enhance public houses. London Councils believes that including a specific reference to pubs in Policy 4.8Bc would ensure the clarity and consistency of the Plan with regard to pub protection. It would also help provide strategic policy support for those local authorities who have already incorporated some provision for pub protection in their local plans, and

in the selective use of Article 4 Directions to protect viable pub uses, both of which in turn help achieve the strategic aims of the policies listed above.

Pubs are particularly vulnerable in London owing to the relative value of retail and residential conversions, the former of which do not require planning permission in the absence of an Article 4 Direction. Some local pub protection policies require that pubs be demonstrated to be unviable through a marketing process before they may convert to residential use. In recognition of the specific and identified value of public houses already set out within the London Plan, London Councils would therefore support any proposal for pubs to be protected in Policy 4.8Bc.

Matter 7e recommendation

- Include a specific reference to pub protection in Policy 4.8Bc

Simon Keal

Principal Policy and Project Officer – Housing and Planning

simon.keal@londoncouncils.gov.uk

Direct line: 020 7934 9508