

## London Assembly Housing Committee – 23 January 2018

### Transcript of Item 5 – Draft London Plan

**Sian Berry AM (Chair):** Now on to the main item, the draft London Plan. This was published at the beginning of December [2017] and all the different Committees that are concerned with planning are looking at this across the Assembly. The Planning Committee was yesterday; the Environment Committee has already looked at it. We will be putting in responses to the consultation and today we are going to be discussing issues around housing.

I just wanted to say to members of the public who may be watching that it is really important that you respond to the London Plan as well. The Greater London Authority (GLA) has made that really easy. There is a website. If you just search for “London Plan” on the internet, the website lets you leave individual comments on individual policies. Even if just one thing from this meeting or from any of the other parts of the London Plan that you want to comment on bothers you, make sure that you put in comments to the Mayor so that it can go into the consultation. The deadline is 2 March [2018]. I just wanted to say that.

I want to welcome our guests. We have James Murray, who is the Deputy Mayor for Housing and Residential Development. We have James Clark, who is the Senior Manager for Housing Strategy at the GLA. We have Darren Richards, also from the Planning team at the GLA. Then, from the boroughs, we have Mark Baigent, who is from the London Borough of Tower Hamlets. He is one of the Directors for Housing and Regeneration there. We have Steve Moore, who is the Director of Neighbourhoods from the London Borough of Havering, and Martin Thomas, who is the Development and Transport Planning Manager from the London Borough of Havering as well.

We are here to ask lots of questions, focusing on the housing aspects of the London Plan. Can I ask James just to start off by telling us how important housing is to what is in the planning policies and how we got to the point of this draft?

**James Murray (Deputy Mayor for Housing and Residential Development):** Thank you very much, Chair, for inviting me along this morning and just giving me a few moments to set out some of the overall context of this. The London Plan draws together all of the Mayor’s different policies around housing, employment, open space, culture and so on across the board, but, from my point of view as the Deputy Mayor for Housing, clearly, the housing targets in it are central to what I am working on for the Mayor.

The really important starting point for understanding how this London Plan fits into broader conversations around housing delivery is that it essentially says it is possible to pretty much meet London’s needs within London without building on the Green Belt or open space. The way in which it says that is based on the evidence base of the Strategic Housing Market Assessment (SHMA), which I am sure we will discuss later on, which identifies a need for 66,000 homes a year. On the basis of a response to that evidenced need for 66,000 homes a year, it identifies capacity for 65,000 homes a year through a combination of various measures, which I am sure we will discuss in greater detail, around densification, around building on small sites and so on.

It is quite important to lay that out because it is saying upfront that it is possible to build the homes that London needs. Sometimes the housing crisis can seem so enormous that people wonder where to begin in tackling it; whereas what the London Plan is saying is, upfront, that the capacity is there.

The more important, and far more difficult, part of the conversation then becomes how we deliver those homes. Identifying the theoretical capacity is, clearly, a first and essential step and getting the planning permissions in place for that is necessary, but it is not sufficient to get them built. We need to make sure we have the delivery mechanisms to make sure those homes are built.

That is, again, where the London Plan is very clear about the extra powers, resources and levels of investment that London would need in order to build those homes; for instance, investment in affordable housing. The London Plan sets out a target for 65,000 homes a year, 50% affordable, and it also makes clear within the London Plan that if we were to deliver that, we would need investment in affordable housing, on our first estimates, to go from the current level of around £500 million a year up to around £2.7 billion a year investment in affordable housing. Therefore, it is clear about what we would need in terms of powers, resources, investment and so on to do the delivery of these homes.

That is quite an important distinction to make so that we understand the context of the London Plan and its targets and that it is an essential and quite important first step to say, "Here in principle is where the homes could go". What we need to work on with partners, boroughs, private industry, housing associations and, crucially, the Government is getting those homes delivered, which needs other interventions that a planning system alone cannot necessarily deliver. It does need to work in conjunction with investment, land assembly powers, delivery capacity and so on. However, as an overall framework, it is essentially saying that it is possible to build the homes that we need in London.

The London Plan is also very clear around affordable housing. The Mayor sets out his strategic target of 50% affordable housing and it sets out the ways in which he sees us moving toward that level, with a combination of those homes which are affordable gained through planning conditions where there is no public subsidy or public grant going into the development, the 35% threshold approach, which is integrated within the London Plan. It sets out how that planning approach to gaining affordable housing will work in conjunction with other levers to deliver affordable housing: affordable housing investment taking the affordable housing on developments where investment is applied above and beyond 35% to 40% and up toward 50% and so on, and public land being put into developments at a discount to market to make sure that it can support a greater level of affordable housing than would otherwise be the case. Affordable housing is at the centre of that argument.

I should probably leave it there because, otherwise, I am in danger of running through all of the topics before we get on to questions, but that was just to set out that headline for me, which is that the London Plan identifies the overall capacity, and says, "Here is where the homes could be built, 50% affordable"; but the other part of the discussion, which is referenced by the Plan but is a bigger and broader discussion, is around the delivery of those numbers.

**Sian Berry AM (Chair):** Thank you very much. That was useful. We have follow-up questions on a lot of those issues coming.

**David Kurten AM:** Thank you very much. Good morning. I have a first question to you, James. You mentioned a 65,000 capacity and how that is a possibility, but how many homes can London realistically deliver over the next few years, going from now up to, say, 10 years in the future?

**James Murray (Deputy Mayor for Housing and Residential Development):** At the moment, the number of homes delivered every year varies from year to year, but it tends to be around 30,000 homes a year or around that level. The capacity which is set out in the London Plan is very ambitious. It is a step change. It is not just a slight dialling-up from where we are now. It is a step change to a fundamentally higher level of delivery, which is why we are really clear in the London Plan - and in the Housing Strategy which is aligned with it - that going from where we are now to hitting the targets in the London Plan would require a real step change in terms of investment, in terms of resources and powers that the GLA and councils have and in terms of the capacity to deliver, not least the construction sector as well. It is very clear about, whilst the 65,000 capacity is identified by the London Plan, the delivery, which your question touches on, is a broader set of questions which goes beyond just the planning consents required into the investment, delivery mechanisms and so on.

**David Kurten AM:** When do you think that you will reach and hit your 65,000 target?

**James Murray (Deputy Mayor for Housing and Residential Development):** We know that an increase in the number of homes is going to require a lot of extra investment and resources. What the Mayor has set out is how we can identify the capacity and for those homes. However, to be honest, increasing the level of delivery also depends on a lot of external factors: how much investment we can secure from the Government; what happens in terms of the construction sector, not least around the workforce in the construction sector, which will be impacted by changes in our relationship with the European Union. There are a lot of other issues which will affect our capacity to build. However, as I said, what the London Plan sets out is where these homes could go and it sets out some of the broad parameters around what we would need to ensure their delivery.

**David Kurten AM:** The London Plan seems to mention that a lot of this delivery that you want will be in the outer London boroughs and east London. Why have you selected those areas? Why do you think that you will be able to build a larger share of London's new housing in those areas?

**James Murray (Deputy Mayor for Housing and Residential Development):** What the London Plan sets out is a way in which every borough in London will play its part in meeting the housing targets. Being very honest, these are ambitious targets for boroughs to meet. They are ambitious in terms of how many homes we expect different boroughs to contribute. We need to be really clear that we want to work with boroughs to make sure that the delivery of those homes is enabled. It will be through a combination of two main sorts of sites, though: the large sites, the ones which historically or at least in recent years a lot more of the development in London is concentrated on, and those smaller sites where the London Plan sets out a framework whereby the delivery of housing on smaller sites could increase substantially. Part of the reason for that is that smaller sites have advantages over larger sites and they tend to encourage small and medium builders rather than relying just on a small number of large volume builders. They tend to be built up more quickly because, once a small builder acquires a small site, if they have certainty over the planning, they just want to get on and build it rather than sitting on it for a long time. It also means you are more likely to have smaller developments in places in outer London, where even the market prices can be more relatively affordable to people in London.

Really, the aim of setting out the targets across London and in every London borough and setting out the difference between small sites and large sites is about diversifying the sorts of homes we build. At the moment or in the last few years, we have become quite dependent on large schemes, which are done by larger developers building at a pace which is consistent with their business model and delivering some affordable housing as a planning gain as a result of that. What we need to do is diversify the range of homes being built

substantially and that is by getting councils and housing associations to build, but it is also about making sure that we are building on those smaller sites using small and medium builders as well as just relying on the large volume homebuilders.

**David Kurten AM:** What I take from what you have said is that you see more building on smaller sites in outer London. That answers part of my question.

**James Murray (Deputy Mayor for Housing and Residential Development):** Sorry, just to be clear, in the London Plan there are two arguments there. The first argument is that every borough in London has a target, clearly, in the London Plan and so every borough will need to play its part in contributing to the overall housing targets in London. Alongside that, you also have the emphasis on small sites, which can apply in outer London but also applies in inner London. It applies across the board, that introduction of an emphasis on smaller sites alongside the larger ones.

**David Kurten AM:** How about the east of London, boroughs like Newham, Barking and Dagenham, Redbridge and so on? You seem to have higher targets in those boroughs as well. Is that correct and how do you see that being delivered?

**James Murray (Deputy Mayor for Housing and Residential Development):** All of the targets which are identified for individual boroughs have come out of the Strategic Housing Land Availability Assessment (SHLAA), which identifies the capacity in boroughs across London. That is a piece of work which has been done collaboratively between the GLA and boroughs. I will be honest: they are ambitious targets for a lot of boroughs, but they are targets that have been developed in consultation with those boroughs involved.

**David Kurten AM:** My last question: you say these are all ambitious targets, but, if boroughs are struggling to meet the targets that they have, what extra support will you be able to offer to enable them to reach the targets and to deliver what you have set them to do?

**James Murray (Deputy Mayor for Housing and Residential Development):** We want to work very closely with boroughs around the delivery of these homes. The London Plan sets out, as I said in my introduction, the overall framework for how these homes could be built and where the capacity is to build them. We want to work closely with boroughs to try to enable their delivery so that when boroughs are developing their local plans, to make sure they are delivery-focused and so that we can work with boroughs to ensure their local plans show how these homes could be delivered.

There is also some more direct working with councils we can do in certain key areas. You mentioned some of the boroughs in east London - Barking and Dagenham, for instance - are taking a big lead on a lot of development in their area, getting closely involved with some of the major sites, Barking Riverside and so on. There are ways in which boroughs can work with us around land assembly, around flexible investment and around infrastructure including transport investment to unlock those sites and bring them forward more quickly.

Our message is very much that, yes, we are setting ambitious targets for every borough, but at the same time we want to work closely with boroughs and use all of our resources to support them in delivering as many of those homes as they can.

**David Kurten AM:** Thank you.

**Sian Berry AM (Chair):** Can we ask the boroughs what they think? Tower Hamlets, Newham and Greenwich have the highest targets across London, much higher than some of the outer London boroughs. How are you reacting to the instructions in the London Plan?

**Mark Baigent (Interim Divisional Director of Housing, London Borough of Tower Hamlets):** In Tower Hamlets, we are already growing faster than any other borough in London. We have almost 14,000 homes onsite in development at the moment across the borough and another 12,000 in the planning system at various stages. There is nothing frightening for us about this.

The issue for us is what was just said about infrastructure. We welcome growth and we want the growth to be supported by the infrastructure. If you take something like the Lower Lea Valley, which is a housing zone at the moment, it is a the Poplar Riverside Opportunity Area in terms of the new Plan. It is really about the little bits of infrastructure like bridges across the river and things like that that will really open up that development area into something that really connects up with the wider area and makes those new homes places to live rather than just new homes. That is really what we are looking for.

In terms of the small sites, in Tower Hamlets most of what we are looking at is larger sites. We have some small sites particularly in council ownership, council estate infill programmes and so on. Our main concern there is around the capacity of the industry. We do struggle to find local builders who will take on those small sites. We tend to try to package them up for the larger construction companies to deliver, but, again, they are stretched as well. Building capacity in the local industry is very important to us and we are investing in a training facility to that end with other east London boroughs.

**Sian Berry AM (Chair):** Thank you. In Havering, you have, presumably, had a bigger change in your target and you are not as happy about that, I think?

**Steve Moore (Director of Neighbourhoods, London Borough of Havering):** That is a question for local politicians, I suppose. From an officer perspective, what I will say is that in Havering we have been very proactive over the last 12 to 18 months and worked very closely with the GLA in delivering about £3 billion worth of new housing over the last 12 months. We are now on a route where the council is entering into joint venture 50/50 deadlock partnerships with those developers as well. We want to be at the forefront of designing those schemes that are coming forward as well.

The key thing, if I can be quite honest with you, is that on a daily basis we are we are hearing stuff from our residents saying, "I cannot get into the hospital at the moment". If you move to Romford today, you cannot get your children into a primary school in Romford. It is very difficult to move across the borough from a transport perspective. It has very strong east-west connectivity but very poor north-south connectivity. When we talk to our current population in relation to growth and seeing the increased population through additional housing sites coming in, they quite rightly say, "That is fine, but how is that going to impact on my quality of life if you do not put the essential infrastructure alongside it when you develop areas".

That, to me, is the real challenge. I know we are talking specifically about housing. I tend not to think of it like that. I tend to think about total regeneration and all of the infrastructure you need to build good growth in what we do going forward. That, to me, is the real challenge that we face when we deal with our members on a day-to-day basis and when we try to communicate that message to our public. If you live in the south of the borough, say in Rainham, it can take you two and a half hours to get to work if you work in Romford, and that is six miles away. I am just trying to put that into context for you.

**Sian Berry AM (Chair):** That is by public transport?

**Steve Moore (Director of Neighbourhoods, London Borough of Havering):** By public transport. It is extremely difficult. It does not have the infrastructure.

I always think it is a strong argument if the infrastructure needs are there and put on the table at the same time. The local population accepts it a lot more. The numbers, in a way, then become a little bit of an irrelevance. I am saying that from an officer perspective. It is really about making sure that the infrastructure is fit for purpose as we move forward.

Disappointingly for us as a borough, when the Mayor's Transport Strategy came out for consultation, we spent a lot of time feeding back into that process, talking about north-south connectivity, talking about how that could open up maybe more sites for development, looking at key transport nodes like Gallows Corner. I do not know if you are familiar with these areas, but they are hotspots at the bottom of the A12 and something fundamental around a ring road. Disappointingly, Havering seems to have been forgotten as part of that plan and was not mentioned. We made our views very clear at that time. From a senior officer perspective, it makes it very difficult for me to convince our local population and our members that it is the right thing to do when we do not get any recognition in relation to the consultation.

In summary, it is about being more holistic. The *A City for All Londoners* Strategy is a good strategy. It talks primarily about infrastructure. We need to see that happen and work alongside the phasing of regeneration as it moves forward.

**Sian Berry AM (Chair):** Thank you. That is really interesting. Nicky, you have a question?

**Nicky Gavron AM:** Yes, it was just for James. I just wondered, James. Are the 270,000 planning permissions which are not yet built, if that is still the figure, part of the targets? Does the 65,000 or 66,000 a year include those?

**James Murray (Deputy Mayor for Housing and Residential Development):** The sites on which those 270,000 consents exist would have been taken into consideration as part of the SHLAA process to identify the capacity for 65,000. The sites where there may be planning permission, but homes are not yet built, those sites which showed up in that stat of 270,000, were also inputted into the SHLAA process to come up with the 65,000. Broadly, yes, but I am trying to answer --

**Nicky Gavron AM:** The answer is yes?

**James Murray (Deputy Mayor for Housing and Residential Development):** I was just trying to answer quite carefully because, basically, it is the same source of sites. Some of the sites which are identified as part of the 270,000 consents which are not yet built will be some of those sites which are included in the SHLAA, not all of them because there will be other sites and other sources of land which go into the SHLAA, but they do feed into it. It is not double counting, as it were. The 270,000 are not in addition to the 65,000 a year.

**Nicky Gavron AM:** No, they are part of it?

**James Murray (Deputy Mayor for Housing and Residential Development):** Yes.

**Nicky Gavron AM:** Tower Hamlets' targets, then, include the as yet unbuilt permissions, and Havering's?

**James Murray (Deputy Mayor for Housing and Residential Development):** The 65,000 homes a year could comprise a combination of homes which already have permission but are not built or homes which do not have permission at all.

**Nicky Gavron AM:** Of course. I understand that. You can confirm that, can you, Tower Hamlets and Havering, that your targets per year include sites which have permission but are not yet built?

**Steve Moore (Director of Neighbourhoods, London Borough of Havering):** Correct.

**Nicky Gavron AM:** OK. That is useful. It is interesting to know. Are there any mechanisms in the London Plan to speed up that planning permission to be built? They are already in the can.

**James Murray (Deputy Mayor for Housing and Residential Development):** Yes. One of the important things in the London Plan is around the threshold approach to viability and to affordable housing. That threshold approach gives an incentive to build out permissions quickly and to implement them within two years. If you get the fast-track approach through the London Plan with the 35% or 50% on public land, you benefit from the fast-track approach only if that permission is implemented within two years. There is an incentive there to make sure that anything which gets consent on that basis then is implemented quickly. Otherwise you trigger an early-stage review and a viability analysis and so the benefits of the fast-track really fall away. In terms of new consents given under the Mayor's approach to viability, there is an emphasis about implementation. In terms of the bigger question around --

**Nicky Gavron AM:** Sorry, I just wonder. That will only be for new permissions, will it not, not for these older ones?

**James Murray (Deputy Mayor for Housing and Residential Development):** Yes, exactly.

**Nicky Gavron AM:** Sorry, it is not quite answering my question.

**James Murray (Deputy Mayor for Housing and Residential Development):** No, it was just adding to the --

**Nicky Gavron AM:** You were adding another layer, but it will not incentivise those already built, those already --

**James Murray (Deputy Mayor for Housing and Residential Development):** That is correct, yes. It would only apply to new permissions.

In terms of the 270,000, this was an issue which the Mayor raised directly with the Chancellor last year. Although the Mayor felt that the budget in November [2017] fell far short of what he would expect in terms of support for housing, one door which he welcomed being opened was around this investigation which [Sir] Oliver Letwin was commissioned to do and which is now underway, which is about looking at why there are so many consents which are not implemented. The Mayor has views on this which we want to make sure are fed into the review, things around the infrastructure needed to bring forward development in London, linking up with Steve's [Moore] point that he just made, and also around the need for investment in London given that a lot of the development is high density and so on.

The way that we tackle those 270,000 is by a broader conversation around the barriers to delivery, which comes to my central point around how you can have the capacity on the one hand, given the planning consents is essential, but what we really need to focus a lot of our energy and effort on is delivery and the investments and mechanisms needed to get those permissions implemented.

**Nicky Gavron AM:** Thank you.

**Sian Berry AM (Chair):** Assembly Member Cooper?

**Leonie Cooper AM:** Yes, I come back to the point about delivery and the points that Steve [Moore] was making. I know Havering very well and I tried once to get to Rainham and back by public transport and thereafter always drove. The connectivity and the wider issues relating to housing within the Plan are absolutely critical. Jules [Pipe CBE, Deputy Mayor for Planning, Regeneration and Skills] at the Environment Committee was talking about 'good growth'. I do not see how plonking housing down where there is insufficient infrastructure to surround it, including and especially making sure that there are very well served public transport opportunities with bus routes and bus lanes to get people out of their individual vehicles, because one of the problems, therefore, is that people in Havering take the choice that I did, and then of course you end up with massive congestion and people cannot get in and out of Rainham, which is very beautiful. I want to commend anyone to go and visit Rainham Marshes if you have not yet done so. However, it is really impossible for people living there. The distance from Rainham to Romford is incredibly small and it sounds like a complete mistake for us to try to impose higher targets because that is how it will be seen.

My questions are: how are we going to carry the borough with us in terms of the politicians, and also and more particularly how are we going to carry local people and how are we fitting these targets together with the concept of good growth, which is that it is not just housing but that all of that connectivity is happening at the same time?

**James Murray (Deputy Mayor for Housing and Residential Development):** The question you raise about how we bring Londoners with us as we are building a lot more housing is really essential to what we are doing in the London Plan more broadly. There is not a definitive list of what we need to do, but I would say three things jump out to me as being important.

The first is making sure that we have a decent level of affordable housing. That means that people will see a development and will see the disruption and so on that might go with it, but they will see the benefits of it in terms of genuinely affordable housing to benefit local people. That is an important part to have as any development.

The design is really important, particularly if we are building at higher densities than have historically been the case. People want to see it being well designed and safe and so on in terms of how those are planned.

The third is, as you say, infrastructure. People want the reassurance that the infrastructure is there.

There is a Housing Infrastructure Fund (HIF), which the Government set out last July [2017]. The team here worked over the summer to get those bids in for the large forward-funding bids. There are also smaller ones, the Marginal Viability Fund --

**Leonie Cooper AM:** Do we know the outcome of the bids yet? The last time I asked this question we did not.



**James Murray (Deputy Mayor for Housing and Residential Development):** No. They are all in with the Government and --

**Leonie Cooper AM:** We are still waiting?

**James Murray (Deputy Mayor for Housing and Residential Development):** -- we are waiting to see what the feedback there is. From our point of view, we want answers as quickly as possible because that helps us get on with delivery, but also there is quite a tight timescale around the spending of that money.

**Leonie Cooper AM:** Yes. The sooner we know, the longer we might have to get on with spending it, if we are given an allocation.

**James Murray (Deputy Mayor for Housing and Residential Development):** If we get that certainty quickly, then we can say in certain areas, "This infrastructure is coming in the next two years", or whatever the timescale is, "and therefore you have certainty to get on and build in that location". A really important part for us is getting that HIF funding to come through and also to bid on any further money that comes through.

**Steve Moore (Director of Neighbourhoods, London Borough of Havering):** Just two things I would add. There has been a lot made of Crossrail 2 and everyone is excited about Crossrail 2 coming through London, especially our part of London. We are very fortunate. We are picking up three Crossrail stations, which is really positive for the borough --

**Leonie Cooper AM:** It is still east-west, though.

**Steve Moore (Director of Neighbourhoods, London Borough of Havering):** -- but it is east-west again and that is what I was going to say. It is not north-south. The point I would make is that significant investment in north-south connectivity can open up more development opportunities for good growth rather than just trying to use the sites we currently have at the moment. That is an important one to get across. Any investment through the HIF or whatever would be very much welcomed.

I suppose the other thing from my point of view is that we have had one or two examples of poor design within the borough historically. What poor design does to local authorities is it increases demand on the public purse locally. It can increase levels of antisocial behaviour and increase demand for more public spaces, all of these opportunities, or there could be a lack of adult assisted living accommodation or children's residential accommodation, all of these things, when social care budgets are coming under significant pressure at the moment. If we do not get the regeneration right, it is going to increase the pressure on the public purse locally.

Certainly, from a Havering point of view, what we are trying to do is we are trying to see regeneration as an opportunity where we can manage down demand. The only way you can manage down demand is if you have the whole good growth agenda at the heart of what you do. It has to have the infrastructure. It has to have the public realm. It has to have healthy places. It has to have connectivity. All of those things that I - and I am sure everyone around the table - aspire to have when we decide where it is we are going to live. It is the basic needs. We have to be extremely careful because, if we get it wrong, it is going to be a long time wrong.

**Leonie Cooper AM:** Thank you.

**Sian Berry AM (Chair):** James?

**James Murray (Deputy Mayor for Housing and Residential Development):** Sorry to add, but can I make one more point, just drawing out one element of that into a slightly broader conversation? It is worth just remembering that one of the key reasons why London's population has been increasing is because jobs have been created successfully in the last couple of decades. Jobs have gone up, people have moved to London to work in those jobs and housing has failed to keep up. That is really the core of the crisis. Because you have people in London to work in those jobs, that does not mean that the people are not here; they are just living in overcrowding or they are travelling long distances or they are not able to move into a home which is suitable for their family or whatever the impact of that might be. Building housing is in part around meeting the existing need which is in London but currently means that people are not living in appropriate housing. There is already, to a degree, some of the people living here using transport links and so on just not living in the right sort of homes for them. Some of the building of housing is about building new homes to meet that need and then, when you build that new housing, you get Community Infrastructure Levy, you get section 106 and you get all the extra investment from that development, which can then go into supporting further infrastructure. I suppose it is not quite as binary maybe in terms of there being new development which is needed and then people coming to live in those homes. People are living in London already. We need to make sure that we have homes which are suitable for everyone's needs.

**Sian Berry AM (Chair):** Sorry, before we move on to Assembly Member Copley, in terms of the Housing Strategy, which the Havering team criticised, you have been feeding into that about where there might be failings in terms of how the planned infrastructure and the planning around the Housing Strategy will help you deliver new homes. That is something you have been liaising with the other Deputy Mayors about, presumably.

**James Murray (Deputy Mayor for Housing and Residential Development):** About the Housing Strategy?

**Sian Berry AM (Chair):** About the Transport Strategy. This seems to be really key to getting the Housing Strategy right.

**James Murray (Deputy Mayor for Housing and Residential Development):** In terms of the Transport Strategy, the Deputy Mayor for Transport and I, and our teams, are closely liaising about it constantly and are always working out what transport investment is needed for housing. It does not mean we are always going to be able to give everyone the answer that they want, but you can rest assured that we are in constant routine conversation about it.

**Sian Berry AM (Chair):** Thank you. Assembly Member Copley?

**Nicky Gavron AM:** Can I just --

**Sian Berry AM (Chair):** Sorry, Tom has been waiting for ages, Assembly Member Gavron.

**Nicky Gavron AM:** Apologies.

**Tom Copley AM:** It is OK. It is a technical question, really, to do with housing need versus housing demand. The SHMA is an assessment of need, correct, but need and demand are not the same things. For example, an overseas property investor does not need a home in London, but that does generate demand for housing in

London. How is that factored in? Of these 23,037 market sale homes that are needed to be built every year, is it assumed that all of those will go to owner-occupiers or is it assumed that some of those will be bought by overseas investors or domestic property speculators?

**James Murray (Deputy Mayor for Housing and Residential Development):** I might ask James [Clark, Senior Manager – Housing Strategy, GLA] to come in with any further technical detail on this, but the basis of the SHMA is on everyone who will live in London's housing need being met.

**Tom Copley AM:** Yes, that is what I thought.

**James Murray (Deputy Mayor for Housing and Residential Development):** That would mean that there may be latent need – as in people who are living in overcrowding now who need a home which is suitable for their needs and population growth on the back of job growth and so on – to make sure we keep up with that. It is about making sure that if you fulfilled the parameters of the SHMA over time, you would provide the housing that everyone needed.

**Tom Copley AM:** The people who might end up, in the case of market-sale housing, owning those homes are not necessarily the people who need them. They might be renting them out, but that is generating extra demand, is it not?

**Nicky Gavron AM:** It is a new market.

**James Clark (Senior Manager – Housing Strategy, Greater London Authority):** For precisely this reason, within the market category, the SHMA does not distinguish between owner-occupation and private renting because, as your question indicates, it is not possible. The planning system is not able to regulate for that or put occupancy criteria in or whatever. The assumption is that, on market sale homes that are subsequently bought by investors, all the evidence suggests that the vast majority of those are then rented out to Londoners. There is a separate debate about whether that is the best outcome or not, but from the perspective of meeting people's housing needs, the SHMA treats that as all within the market category, if that makes sense. In the past we have been asked if the SHMA can try to distinguish between the need for private rented housing and the need for owner-occupation housing, but it is just not possible because it is not something we can regulate through policy.

**Tom Copley AM:** I appreciate that that is difficult, but I guess I am not making my point that well. There is an argument that there is an almost infinite demand for London property out there and, if you build market sale, you could build market sale and you could move up and up and up, and you still would not address the affordability side when it comes to market sale because you just keep sucking in demand from overseas. Is there anything in the Plan or anything in the Housing Strategy that takes that into account?

**James Murray (Deputy Mayor for Housing and Residential Development):** I suppose, in a way, if we step back a second, you said that there is this endless demand for London property. Actually, you could look at it another way. At the moment, we are building 30,000-odd homes a year and, if you compare what we are building and the breakdown of affordability within that versus what we would need, you could say we are building most of the market homes we need. What we really need is a lot more affordable housing. Therefore, in terms of the actual demand in London, the unmet demand – and therefore where you could build most rapidly at pace – is affordable housing. If you look at it from the other angle, it shows the demand is strongest for affordable housing.

**Tom Copley AM:** Absolutely, hence why 65% government...

**Nicky Gavron AM:** We all know that.

**Tom Copley AM:** We know that. I am just thought it was interesting about this difference between demand and need on the market side of the equation.

**James Murray (Deputy Mayor for Housing and Residential Development):** That is what the SHMA says. It is not just that we know it. It is that the SHMA actually says that. If you wanted to increase housing supply overall to the levels which are set out through the SHMA and are broadly met with the London Plan, you need an emphasis on new affordable housing because that is where the demand is to absorb those new homes into the system.

**Sian Berry AM (Chair):** Thank you.

**Nicky Gavron AM:** Can I very quickly --

**Leonie Cooper AM:** Andrew was waiting.

**Sian Berry AM (Chair):** Andrew has been waiting for a very long time and I just wanted to clarify what Tom just said as well.

**Andrew Boff AM (Deputy Chair):** Nicky wants to come in on that.

**Sian Berry AM (Chair):** Fair enough. Nicky, do you want to --

**Nicky Gavron AM:** It is a real quickie. In Havering, do you have strategic areas of community regeneration? You do?

**Steve Moore (Director of Neighbourhoods, London Borough of Havering):** Yes, we do.

**Nicky Gavron AM:** We are very keen to make sure - this is about how you can get communities to accept what is going on - to include much earlier community engagement in planning. The Mayor has a policy in the London Plan to resource that in areas of opportunity, but he does not have a similar policy in areas for strategic regeneration which are not in areas of opportunity. It seems to us these are some of the most stressed areas in the country and it seems rather important that it is not just left to boroughs to get that early involvement. I wondered if you had a view on this.

**Steve Moore (Director of Neighbourhoods, London Borough of Havering):** Chair, if I may, early consultation and engagement with communities on any big development is absolutely critical.

**Nicky Gavron AM:** Not just a voice but a role.

**Steve Moore (Director of Neighbourhoods, London Borough of Havering):** And a role. Any developer worth their salt will tell you that they will put in a lot of time and effort with the local authority to engage the current community on any redevelopment opportunity because the most important thing is to understand what the local people who are currently there want and need. For example, I mentioned the lack of primary school provision within Romford at the moment. If you spoke to the current population in Romford, they would tell

you, "We need more primary schools". Again, if that is something that is needed locally, that is a good way to get local people involved so that there is something out of it for them as part of the regeneration. That is very important. If you do not engage the local community very early in shaping what you are going to do, it makes it far more difficult. That in itself slows up the process and that then becomes a block as people challenge. Early engagement is critical.

**Nicky Gavron AM:** The question is really not just talking about developers getting involved. It is when you are doing an area of regeneration and you are looking at the acceptance and you are looking at all the different services and the stress on those services. These are people who do not normally have a voice because, in an area of regeneration, you can tell. A lot of people will not have much time; they will not have normally been involved. You need resources to involve them. Is that done? That is not what communities are telling us. I do not know about Havering.

**Steve Moore (Director of Neighbourhoods, London Borough of Havering):** If it is a large-scale development that is subject to a masterplan exercise --

**Nicky Gavron AM:** We are talking about an area, yes.

**Steve Moore (Director of Neighbourhoods, London Borough of Havering):** -- yes, a masterplan exercise that would be carried out like in Beam Park or something like that, there is an awful lot of public engagement because it is large-scale. I suppose the flipside to that would be, if you fragmented that down using lots and lots of different small sites, you could argue that you might lose the effectiveness of how you then engage the local community on very small-scale site development coming forward. I suppose that is a challenge to look out for in relation to the small-sites proposals.

**Martyn Thomas (Development and Transport Planning Manager, London Borough of Havering):** Certainly, as far as some of the work we have done down in Rainham with the London Riverside area, that involved quite a lot of community engagement through the preparation of *Our Rainham* and the Rainham development framework and masterplan. There were a number of sessions with the community based in Romford to polish that and get it accepted.

**Nicky Gavron AM:** Thank you.

**Sian Berry AM (Chair):** There was a good discussion yesterday at the Planning Committee about public engagement around the density and the form of new developments. That is useful to watch for anyone who has not seen it already.

Can I just clear up the point that Tom [Copley AM] was trying to make? The SHMA sets out the need from Londoners for housing each year and it does not take into account the demand for housing from overseas. If we are delivering homes to these targets, every single one that gets bought by somebody who is not intending to live in it, who is not a Londoner, who is part of the SHMA assessment, is knocked off the total.

**Tom Copley AM:** Unmet need?

**Sian Berry AM (Chair):** Yes.

**Tom Copley AM:** Thank you. That is exactly the point I was trying to make. Thank you, Chair.

**Sian Berry AM (Chair):** Yes. That is correct and that is the essence of the 'first dibs' promises that the Mayor made. I just wanted to ask. Is there anything that has made it through into the London Plan? I appreciate it is difficult to deal with that problem of 'first dibs' and the fact that that is not meeting the SHMA need if those homes go to overseas investors.

**James Murray (Deputy Mayor for Housing and Residential Development):** If a market home identified within the SHMA target were to be bought by an investor - a United Kingdom (UK) investor, an overseas investor, whoever - but was rented out at a private rate to a Londoner, that would be seen to be meeting a Londoner's housing need. It is not about owner-occupation versus renting. It is not about --

**Sian Berry AM (Chair):** It is about the ones that are not occupied. That is the issue, is it not?

**James Murray (Deputy Mayor for Housing and Residential Development):** Exactly, but it is important to separate them out because some of the research we did last year showed that in certain areas there seemed to be spikes in homes which appeared to be left empty, but across the board the level of permanent emptiness is low. Most homes bought by overseas buyers numerically - and I appreciate there may be particular hotspots where they get attention but across the board - most homes are rented out if they are bought. It is important to separate that out because they are two different issues. It is not about ownership; it is about the use of that home. If the home is built as a market home and bought by an investor - whether domestic or international - and then rented out, that is seen as meeting a housing need of a Londoner because there is someone who is living in the rented house. The separate --

**Sian Berry AM (Chair):** It meets the target in the SHMA, but the question then is the affordability. That is a separate question.

**James Murray (Deputy Mayor for Housing and Residential Development):** Yes, exactly. You could technically meet someone's housing need even if it were -- you might want it to be at a more affordable rate. Do you see what I mean?

**Sian Berry AM (Chair):** Yes.

**James Murray (Deputy Mayor for Housing and Residential Development):** You can have private rents being above where you would like rents to be, but technically someone is housed in that home.

The separate question is around emptiness, which is a very specific subset of investor properties, which is associated with overseas. Not exclusively, but it is more typically associated with overseas buyers. There is a hook in the London Plan that supports boroughs to develop local responses to that. One of the reasons for that is because the evidence base at this stage shows that whilst it is not a London-wide problem, there are particular areas where it may be more of a problem. The London Plan offers a hook for boroughs to develop tailored responses in those local areas rather than apply a London-wide blanket policy to everywhere in London. We do not have that evidence base to do that policy.

**Sian Berry AM (Chair):** Those local responses might be, say, planning conditions that there must be lease conditions imposed that they are occupied and that sort of thing.

**James Murray (Deputy Mayor for Housing and Residential Development):** If you could get the local authority to develop that, yes.

**Sian Berry AM (Chair):** Assembly Member Boff, a question?

**Andrew Boff AM (Deputy Chair):** I do not know what the difference is between foreign investment and investment, really. It all sounds rather xenophobic when we only pick on foreign investors, but that is an aside.

**Tom Copley AM:** By 'foreign', I just mean outside of London, Andrew.

**Andrew Boff AM (Deputy Chair):** Outside the M25?

**Leonie Cooper AM:** Outside Lewisham, probably!

**Andrew Boff AM (Deputy Chair):** Can I just ask Mr Moore or the Havering team: is there anything in the London Plan that supports your ambition to get better north-south transport within Havering?

**Steve Moore (Director of Neighbourhoods, London Borough of Havering):** As I said earlier on, Chair, I can only refer to the recent draft Transport Strategy, which, disappointingly, did not pick up on the conversations we have had with colleagues and was quite silent in relation to the transport infrastructure. Based on that, we have continued conversations with Transport for London (TfL) to try to understand exactly what the opportunities may be going forward. To be fair, there is an element of feasibility work that is being carried out at the moment. Is that being funded through the Local Implementation Plan (LIP)?

**Martyn Thomas (Development and Transport Planning Manager, London Borough of Havering):** We are using some LIP funding to part-fund feasibility work. That work is due to come to an initial conclusion next month and we will then hope to discuss that with the Mayor and his colleagues.

**Steve Moore (Director of Neighbourhoods, London Borough of Havering):** We would like to really present that forward because we do believe that that is the correct way to go to make sure the transport infrastructure is there first.

**Andrew Boff AM (Deputy Chair):** This is something that you have identified in your Local Plans, however, is it?

**Steve Moore (Director of Neighbourhoods, London Borough of Havering):** It is. Our Local Plan is due for submission shortly.

**Martyn Thomas (Development and Transport Planning Manager, London Borough of Havering):** The Local Plan is due for submission next month [February 2018], and it highlights in particular the need for major improvements in public transport infrastructure investment and the north-south connectivity issue very strongly.

**Andrew Boff AM (Deputy Chair):** In dealing with the London Plan, it has been quite difficult for us as a Housing Committee and a Planning Committee to stop trampling over each other's territories, but, as we all know, transport is a housing issue and housing can be considered a transport issue. It is quite difficult and I know that we are slightly going over the boundary here - and perhaps it is for the politicians to say - but do you think it is rather unfair if the GLA and the Mayor are asking you to build to full capacity but will not offer any of the help that you are asking for?

**Steve Moore (Director of Neighbourhoods, London Borough of Havering):** All I would respond to that with, Chair, goes back to what I said at the start: good growth requires a holistic approach, whether it be planning, housing or transportation. You cannot look at these things in isolation. You have to look at them together.

**Andrew Boff AM (Deputy Chair):** Thank you.

**Sian Berry AM (Chair):** We are moving on now to questions on affordability specifically. I know there is overlap here between funding questions and planning questions. The more we can save time by focusing on the planning questions, the better.

What are we doing within this London Plan to effect housing that is affordable, that is not what we are funding? There is a list of the Mayor's preferred affordable tenures within here, which are London Affordable Rent, which is social rent or very close to that, London Living Rent, which is defined by ward against average incomes - it is about 30% of average wages - and London Shared Ownership, which is the shared ownership product that we are all familiar with. Within that, though, there is still flexibility for other types of affordable housing and the definition of 'affordable' at 80% of market rent still occurs within here. It seems to me that many private developers not being funded by you could use this plan to argue that they can deliver housing at 80% of market rents and still call that 'affordable'.

Have you tried to change that with the Government? I know that we have a case in London that our rents are about double the average for England and the 80% of market rent in London does not represent affordable in any way. Have we tried to get that definition, which I know is in the National Planning Policy Framework (NPPF), removed for London? Has the Government refused us?

**James Murray (Deputy Mayor for Housing and Residential Development):** Without repeating conversations we have had before, both here and via press release, the 80% definition, as we know, is from the 2012 NPPF. The London Plan exists within the overall NPPF and so the inclusion of a definition of 'affordable rent' in the glossary - it would be worth minuting this just so there is no future confusion about this - does not necessarily mean an endorsement of it. It is just explaining what that means. 'Affordable rent' is defined nationally and so the definition in the glossary refers to that. It just is worth bearing that in mind in case that issue comes up again. I know we have spoken about this several times.

However, what the Mayor is really clear on is what he considers to be genuinely affordable. He is upfront that, when we are doing housing for low-cost rent, 80% of market rent is not affordable in most parts of London. That is why he has set the London Affordable Rent - which, as you indicated, is essentially social rent-level housing - as what should be delivered for the general needs rented part of affordable housing. In a way, he is strengthening the hands of local boroughs because they can point to the London Plan steer on affordability rather than having to fall in line with simply the national definition of 80%, which the Mayor believes is not genuinely affordable in most parts of London. They can lean on his definition of 'affordable' to make sure it is genuinely so.

**Sian Berry AM (Chair):** I appreciate that. You say that the 'affordable housing' definition is defined nationally. That is true and I am not saying that we would not have to deviate from what is in the NPPF, but we are a special case in London in terms of housing affordability. We could get permission from the Department for Communities and Local Government (DCLG) to deviate from that definition and define 'affordability' in terms of wages if they let us. They write the laws. They could let us do that.



**James Murray (Deputy Mayor for Housing and Residential Development):** We have had numerous conversations with the DCLG - now the Ministry for Housing, Communities and Local Government (MHCLG) - about what status the London Plan has. The *status quo* is that the London Plan exists within the general framework of the NPPF and so the 'affordable rent' definition still exists as a national definition. Within the London Plan, it is very clear for that low-cost rented housing that the Mayor expects it to be at London Affordable Rent, which is social-rent, based benchmarks or below. The Mayor has given as strong a steer as possible within the national framework that what he expects to see for genuinely affordable homes for low-cost rent is homes based on social rent levels.

**Sian Berry AM (Chair):** To try to force up the percentage of affordable housing, you are using this threshold approach where, if you can get to 35%, as a developer, you gain some benefits in terms of not having to disclose all your viability and all of that and these different constraints. Can a developer point to homes it is planning to deliver at 80% of market rent and say that that counts towards that 35% threshold? I cannot find anything in this London Plan - and planning policies have to be written really carefully - that constrains them to the definitions that are preferred by the Mayor.

**James Murray (Deputy Mayor for Housing and Residential Development):** The 35% threshold approach there will be one here. It sets out what the expectations are if you are going to go down the 35% route. That is that the tenure mix within that 35% should meet what is set out in the London Plan. It is in policy H6(C)(2). Let me just find the exact part here. In order to go down the threshold route, the applications must "be consistent with the relevant tenure split" in H7. It is not the case that an applicant could come forward with, let us say, 35% affordable housing that was not considered genuinely affordable and just go through the fast-track route because, in order to benefit from the fast-track route, as H6(C)(2) sets out, the mix of affordable housing within that 35% has to be consistent with the relevant tenure split.

**Sian Berry AM (Chair):** H7(A)(3) leaves 40% of that tenure split:

*"... to be determined by the relevant borough based on identified need, provided they are consistent with the definition of affordable housing."*

That seems to me to open up the door to developers pointing at things that are 80% of market rate. These people have very clever lawyers. This seems to me a way of getting out of it.

**James Murray (Deputy Mayor for Housing and Residential Development):** It is consistent with the definition of 'affordable housing' --

**Sian Berry AM (Chair):** In the glossary?

**James Murray (Deputy Mayor for Housing and Residential Development):** -- that the Mayor sets out in the London Plan.

**Tom Copley AM:** It should say that, yes.

**Sian Berry AM (Chair):** Then it needs to say that.

**James Murray (Deputy Mayor for Housing and Residential Development):** If you look at 4.7.2,

*“There is a presumption that the 40% to be decided by the borough will focus on social rent/London Affordable Rent given the level of need ...”*

**Sian Berry AM (Chair):** “However, it is ... a broader mix”, maybe?

**Tom Copley AM:** It is not in a box. As Assembly Member Gavron often says, if it is not in a box --

**Nicky Gavron AM:** It does not count. Also, if it says “should”, it is very weak. It should say “must”.

**Sian Berry AM (Chair):** Yes, it should say “must”.

**Nicky Gavron AM:** And it should be in a box.

**Andrew Boff AM (Deputy Chair):** I asked the Mayor - in fact, I asked you - a long time ago: when the Mayor talks about his targets, is he talking about his definition of ‘affordable’ or the Government’s definition of ‘affordable’? I was told it was his definition of ‘affordable’. His 50% target was his political target based upon what his definition of ‘affordable’ was, not on what the Government’s was.

**Sian Berry AM (Chair):** This is a question about reporting and monitoring as well. Will you be reporting and monitoring the achievement of the targets? You have in there the 50% to 60% affordable targets for public land. Will you be reporting those only for things that meet the Mayor’s definition of ‘affordability’ or will you be counting other things, too?

**James Murray (Deputy Mayor for Housing and Residential Development):** As I understand it, the monitoring of affordable housing is being updated. We can maybe get some more detail from Darren [Richards, Head of London Plan Team, GLA] around the exact reporting requirements about the London Development Database. There was a Mayor’s Question which we responded to you on. Just to update you, that is being updated in the detail in which it is recording affordable housing outputs.

The Plan is very clear in terms of what the Mayor considers to be genuinely affordable. As you set out in your question, it sets out the London Affordable Rent or below, London Living Rent and London Shared Ownership. Those are the three products which he considers to be affordable. That aligns with the Housing Strategy. Whether it is funded or whether it is delivered through a planning condition, the definitions are consistent.

**Sian Berry AM (Chair):** You would be content for us to feed back that this definition needs tightening up to specifically exclude things that go up to 80% of market rent?

**James Murray (Deputy Mayor for Housing and Residential Development):** If you have concerns about the relationship between the London Plan and the NPPF, then feel free to write them down --

**Sian Berry AM (Chair):** I have, yes. Can I also ask you about gross versus net things? I am really getting into the detail of the planning policy now.

Essentially, you have your overall targets of 35% for people following the threshold approach and that applies to things that are above 10 units of any kind of development. Then you have your overall 50% to 60% target looking at public land. Then you have the Estate Regeneration Policy, for which the threshold approach is somewhat of an exception. The Estate Regeneration Policy says that all things must go through the viability-tested route, which has full disclosure and trying to get the absolute maximum possible in quite a public way.

Policy H10, the Estate Regeneration Policy, says, "Where there is a loss of existing social housing", and then, like I said before, H6, the threshold policy talks about developments above 10 homes. Is there any lower limit to where H10 will apply? If there is a loss of affordable social housing, is that just more than 10 or is it any loss of social housing that would go through the viability-tested route? It is just that there seems to be a bit of a gap.

**James Murray (Deputy Mayor for Housing and Residential Development):** It applies to any. This policy is not limited to the size of development. This is saying that wherever affordable housing is lost, it should be re-provided. The Mayor will have direct jurisdiction only over applications which are above the threshold of referable applications, but in terms of the planning policy here in the London Plan, this applies to any loss of existing affordable housing.

**Sian Berry AM (Chair):** That policy later says that all such all such schemes will then go through the viability-tested route and that would then apply to anything that demolished even one or two social homes. Is that right?

**James Murray (Deputy Mayor for Housing and Residential Development):** I believe so, yes.

**Sian Berry AM (Chair):** That would be really useful if that is what it says.

**James Murray (Deputy Mayor for Housing and Residential Development):** I believe that to be the case. I was just double-checking because we do not see the small ones, but I am pretty sure that is the case.

**Nicky Gavron AM:** Can you just repeat? What is it he is happy to -- sorry, James

**Sian Berry AM (Chair):** The viability-tested route seems to apply to every development where any social homes are demolished, even if it is one, even if it is not an estate as such, and that would be really useful for everyone to see.

**Nicky Gavron AM:** Does the discounted, sorry --

**Sian Berry AM (Chair):** Can I finish my question about gross versus net? Where you are looking at 50% and 60% on public land, where there are homes being demolished, is that net homes? If you are demolishing 200 affordable homes and then you are building a development that has, say, 800 homes, 400 of which are affordable, you could argue that that is 50% or you could argue that that is 25% of the net gain.

**James Murray (Deputy Mayor for Housing and Residential Development):** Just to be clear, when you keep saying 50% and 60%, what are you --

**Sian Berry AM (Chair):** On the public land, you are aiming to get 50% and sometimes 60% if you are putting in money as well.

**James Murray (Deputy Mayor for Housing and Residential Development):** No, 60% is the target we set with strategic partners that we are funding on a flexible basis --

**Sian Berry AM (Chair):** Yes, that is what I mean, yes.

**James Murray (Deputy Mayor for Housing and Residential Development):** -- but that is not public land.

**Sian Berry AM (Chair):** That is anything where you are working with

**James Murray (Deputy Mayor for Housing and Residential Development):** It might be because that is a funding thing. That is basically saying that if we have a strategic partner - one of the big housing associations, for instance - that we are funding, their programme should aim for 60% overall, irrespective of whether it is private or public land. The 50% fast-track applies to public land sites, just to be clear on that.

**Sian Berry AM (Chair):** Both of those targets, then, are relevant to my question because those are likely to be sites where there are existing homes. Is that 50% or 60% net or gross that you are expecting to see?

**James Murray (Deputy Mayor for Housing and Residential Development):** They might be sites where there are existing homes, but they would not necessarily be. For instance, Holloway Prison, which is a live case, is one which is being sold by the Ministry of Justice and we set out really clearly in a planning brief that Islington Council did, that we were closely involved with, that we expect 50% to be what is deliverable on that site. Certainly, if it is to benefit from the Mayor's fast-track route, that is what it would have to achieve. That is public land where there are no homes. There are plenty of sites coming forward, as we see with TfL sites as well, as we see with lots of different public-sector landowners, where there are not existing homes on there. The threshold approach and the fast-track route applies in those cases.

On the cases where you have some form of estate regeneration, where you have existing homes being demolished and rebuilt, we are saying that the 50% threshold is not relevant there because you cannot have a fast-track route. It has to be viability-tested. It has to maximise the amount of affordable housing delivered. Therefore, it could be a lot more than 50% if that is viable on the scheme, but the point is that the threshold and the fast-track route does not apply to estate regeneration.

**Sian Berry AM (Chair):** All right. I am thinking of a different policy here. Here we go. It is policy H5. On delivering affordable housing, parts A(3) and A(4) both cite a 50% target on public-sector land. They are not to do with the viability route, they are just targets, but are they net or gross targets?

**James Murray (Deputy Mayor for Housing and Residential Development):** The strategic target of 50% would apply across public-sector land but --

**Sian Berry AM (Chair):** Yes, it is parts A(3) and A(4) of H5.

**James Murray (Deputy Mayor for Housing and Residential Development):** Yes, this is investment rather than planning policy because, if you look at A(3) and A(4), it says, "Affordable housing providers with agreements with the Mayor", and so it does get into the question of funding. I suggest we get back to you with some detail around --

**Sian Berry AM (Chair):** Yes. A(4) does not mention funding. That is just a target.

**James Clark (Senior Manager – Housing Strategy, Greater London Authority):** All of the planning measures of affordable housing are measured in net terms in the Annual Monitoring Report and that will be published every year, if that makes sense.

**Sian Berry AM (Chair):** Yes, but we will need to clear this up because the question of whether you are expecting 50% gross or 50% net makes a big difference to how far you are going towards the really high targets in the SHMA, which says that 65% of homes ought to be affordable if we are meeting London's needs.

**Darren Richards (Head of London Plan Team, Greater London Authority):** I am not clear. What do you mean by 'gross' and 'net'? Normally, a net figure is when you take account of demolitions, replace demolitions and have a net increase.

**Sian Berry AM (Chair):** Yes, that is what I mean.

**Darren Richards (Head of London Plan Team, Greater London Authority):** It would always be a net figure. If on that piece of public land there were existing dwellings and they were demolished, to get a net uplift they would have to take account of the demolished dwellings and replace them.

**Sian Berry AM (Chair):** In terms of the number of homes, but is the affordable split – is that the split in net homes or the split in what you end up with gross? It is about the affordability split within that. That is the question.

**Darren Richards (Head of London Plan Team, Greater London Authority):** The policy applies to planning applications and so it would be the number of homes that are being replaced in the application, which we would expect to take account of the demolition of homes. The 50% would be 50% of the total number of homes in the planning application. This is a policy for a planning application. If the planning application was proposing 100 homes, we would expect 50% of those to be affordable.

**Sian Berry AM (Chair):** All right. If there are, say, like my example, 200 homes, there would then be a 25% net gain in affordable homes to contribute towards the SHMA.

**Darren Richards (Head of London Plan Team, Greater London Authority):** No, because they are social homes and --

**James Murray (Deputy Mayor for Housing and Residential Development):** This is tricky, but it is important to emphasise --

**Nicky Gavron AM:** It has always been, if you replace a home, you do not count it.

**Sian Berry AM (Chair):** Thank you, Nicky. That makes it very clear.

**Nicky Gavron AM:** It has always been that way.

**Leonie Cooper AM:** Can we use a specific example to illustrate this? Can I use the example of the High Path Estate, where there are 500 homes? The original plan put in by one of the precursor organisations that has now become Clarion was to build 1,000 homes and, essentially, it was just to replace the 500 homes that were there and then produce another 500 homes, almost all – if not all – for sale. They have now extended that to 1,800 homes, but there are still going to be only 500 homes that will be replacing the original social-rented homes. I do not see that as a net gain at all because all the other properties are going to be sold off to people who will buy them. They might then be using the money that they get from those sales to cross-subsidise to other sites; Ravensbury and Eastfields, as it so happens, but the detail is unimportant. The question that we are trying to get to is: where are we going to see that gain? On sites like that, we will not.

**Nicky Gavron AM:** We have an answer. Planning figures and monitoring on planning permissions and on completions has always been net. It includes conversions, though, if you create more households. The DCLG figures have usually been gross.

**Darren Richards (Head of London Plan Team, Greater London Authority):** In that example you were using, they would go through the viability-tested route and so we would be scrutinising them about why they could not provide affordable housing in addition to replacing the existing affordable.

**James Murray (Deputy Mayor for Housing and Residential Development):** If I am understanding the different points correctly, there is one question around how things are monitored and how they are monitored in relation to the London Plan and in terms of funding. They are slightly different in the way that they are monitored and we can set that out in detail in writing for you, if that would be helpful.

The other point is around the 50% affordable housing on public-sector land. That does not apply to estate regenerations because every single application for an estate regeneration would have to go through full viability testing to make sure the affordable housing is maximised. For instance --

**Sian Berry AM (Chair):** Yes, and so you will get the most --

**Tom Copley AM:** The 50% would be at a hospital site, for example?

**Leonie Cooper AM:** Yes.

**Sian Berry AM (Chair):** Then it is about monitoring because the key thing is that your viability route is intended to get the most possible affordable homes out of the scheme, but in terms of how you report that, are you going to report that as 50% or 25% depending on whether it is net or gross? That makes a difference in terms of monitoring your progress towards achieving the needs that are in the SHMA.

**James Murray (Deputy Mayor for Housing and Residential Development):** As I said, there are two issues here. One is around the monitoring. As I say, because there are differences between how things are recorded and monitored in relation to the London Plan versus funding and so on, can I suggest we set that out really clearly in writing to you about how those are separately recorded?

The separate issue around the 50% and estate regeneration is easy to understand from the point of view of individual applications coming forward. If you have any application coming forward for an estate regeneration, it does not matter who the landowner is. It does not matter if that landowner has an agreement about 50% or whatever they have. That application for that estate regeneration will go through a viability-tested route to ensure the maximum level of affordable housing is delivered. Irrespective of all of the other points, that is nonetheless the case.

The point that is being made by H5 is a more general point, which is that where public-sector landowners are bringing forward public-sector land, the Mayor expects them to hit 50% across their portfolios. There is provision within the threshold approach whereby, if it is 50% across the portfolio, some of these sites could deliver, for instance, 35% and still benefit from the fast-track route if other ones in the portfolio are, let us say, 100% so that they make up 50% overall. That will allow people some flexibility within their overall programmes.

However, even if you have a public-sector landowner who had that agreement with the Mayor and then that public-sector landowner brought forward an estate regeneration, that estate regeneration would have to be viability-tested.

**Sian Berry AM (Chair):** The important thing is that we see all the numbers and we can examine those for ourselves.

**James Murray (Deputy Mayor for Housing and Residential Development):** Yes. The really important guarantee for people more generally is this guarantee around estate regeneration and around making sure that all of the applications are viability-tested. If a public-sector landowner - it would be a council in the example we are talking about - had an agreement with the Mayor about 50% across the portfolio and if it brought forward an estate regeneration, that would then be viability-tested. That would not be subject to any threshold or fast-track because the fast-track and threshold do not apply.

**Sian Berry AM (Chair):** Yes. That is good. Thank you very much. Assembly Member Copley now has more questions about the threshold approach.

**Tom Copley AM:** I did have another question on the split, sorry.

**Sian Berry AM (Chair):** Go for it, yes.

**Tom Copley AM:** I was just wondering because previously the London Plan set out originally 70:30 and then 60:40 social or low-cost rent to intermediate. Why are you being less prescriptive now with the boroughs?

**James Murray (Deputy Mayor for Housing and Residential Development):** There are two important points to make here. Firstly, if you start from the SHMA, the needs assessment, it does show the need for affordable housing and also, within that, the need is primarily for low-cost rented housing. When we are doing the targets in the Plan, that has to take into consideration the deliverability, available funding and so on. The funding deal that we secured with the Government for the current time period up to 2020/21 is weighted in favour of low-cost home ownership because that is the deal that we have managed to strike with the Government given their priorities and accommodating ours as far as possible. Therefore, the leaning in terms of funding is toward more low-cost home ownership.

Part of the reason for allowing some flexibility within the London Plan threshold approach is so that individual boroughs can have a bit of flexibility within the 35%. It is a combination of having a clear central steer around the 35% - or 50% on public land - being important for the fast-track approach, but giving boroughs some flexibility around the exact tenures within that, which they can make a decision on based on local needs, local preferences, viability and so on.

The fall-back position is that, if the local borough does not have a particular view on what that 40% should be, the presumption is toward social rent and London Affordable Rent. That is where we think things should go.

**Tom Copley AM:** The previous Mayor's housing deal with the Government was weighted in favour of low-cost home ownership as well and they still went with the 60:40 split.

**James Clark (Senior Manager – Housing Strategy, Greater London Authority):** What James is saying is that the current Government's weighting is not towards low-cost rent. It is towards low-cost home ownership.

**Tom Copley AM:** Yes, but, sorry, I cannot remember. Was the previous deal on affordable housing between the Government and the last Mayor weighted towards --

**James Clark (Senior Manager – Housing Strategy, Greater London Authority):** Overall, it was still weighted. It was a legacy of the real push for social rent and then affordable rent under the previous Labour Government and the beginning of the Coalition Government.

**Tom Copley AM:** On this, it says in the supporting text at 4.7.2, “There is a presumption that the 40% to be decided by the borough will focus on social rent”, but could that be included in the actual policy itself so that it has some weight?

**James Clark (Senior Manager – Housing Strategy, Greater London Authority):** I can take that point back and we can get back to you on the reason why it is in the supporting text rather than in a box.

**Tom Copley AM:** Yes, that would be really useful to know because, if that is the presumption, then I guess it ought to be in the policy.

Anyway, I will move on to my question, which is on the threshold approach. It is still early days, but do you think the threshold approach is working and what evidence do you have either way?

**James Murray (Deputy Mayor for Housing and Residential Development):** Do I think it is working? Yes. I have one interesting anecdote just to start off my explanation. Even before we had published the draft Supplementary Planning Guidance (SPG), we were hearing anecdotally that developers were putting in bids for land on the basis of delivering 35% affordable housing and so they had already priced that into their bids for land. That meant that the discussions or arguments further downstream around affordable housing were going to be reduced substantially because they had already factored that in when they were buying the land upfront. Really, one of the key aims of the threshold approach is to increase the level of affordable housing and to do it in a way that shifts the cost of affordable housing on to land values so that we do not have the situation whereby what we have inherited is land values going up and up because very weak requirements around affordable housing meant that developers were effectively overpaying for land and then coming back and arguing through viability for very low levels of affordable housing. It was a circular argument to very few people’s benefit.

We said that this cannot go on and we want to make sure that people have a clear steer on affordable housing so that when the land is being bought people expect to deliver a minimum level of affordable housing. The feedback from the development industry generally is that they welcome it because it gives them some clarity so that when they are bidding for land they know on what basis they can do that. They like the certainty. They like the fact that it is less risky. They like the fact that they can then, potentially, have a more straightforward conversation with local planning authorities rather than confrontation from the beginning.

In terms of boroughs, many boroughs are supportive of our policy. Some people argue should be a little bit lower, some argue it should be a bit higher, but everyone acknowledges that this is a much better position than we inherited.

**Tom Copley AM:** Within the 35%, without wanting to just go back to tenure split, do you have any evidence as to whether developers are going with the desired tenure split in the new draft London Plan or are we in the situation where they are getting up to 35% by just putting in a load of shared ownership and then ignoring the low-cost rent side?



**James Murray (Deputy Mayor for Housing and Residential Development):** In terms of the applications which are referable to the Mayor, we have been very clear that that we do not in normal circumstances accept a 35% fast-track approach if it is mono-tenure. There may be certain cases where we would look at the specifics of the situation and it might be a different conclusion, but the starting point is always that it should be a mix. You should have rented housing as well as low-cost home ownership and that should always be the presumption.

That is largely what we are seeing. People are following a tenure split and they look to the local borough to see what the tenure split is that the local borough is likely to support. We see slightly different weightings depending what the borough's local preferences are in terms of rent versus low-cost home ownership, but we are seeing developers coming forward with 35% routinely and, when they do so, they are having a mix of rented and low-cost home ownership.

**Tom Copley AM:** Are you planning at some point doing any quantitative work so that we can say for sure? You have spoken anecdotally about the applications coming through. Do you intend at some point to do some work to look overall to see if there has been an increase and if it is working?

**James Murray (Deputy Mayor for Housing and Residential Development):** Yes.

**Tom Copley AM:** Excellent. Do you know when would be a sensible period to --

**James Murray (Deputy Mayor for Housing and Residential Development):** I can get back to you on exactly when might make sense, yes.

**Tom Copley AM:** Great.

**Nicky Gavron AM:** Can we ask Tower Hamlets?

**Tom Copley AM:** Yes, I was going to bring the boroughs in, Nicky. I was interested in Tower Hamlets and then Havering. What is your view on this?

**Mark Baigent (Interim Divisional Director of Housing, London Borough of Tower Hamlets):** Our view would be that we support the threshold approach. It is still quite early days to demonstrate what it is achieving and so I cannot give you numbers on what we have achieved through that approach to date.

**Tom Copley AM:** It is too early to say?

**Mark Baigent (Interim Divisional Director of Housing, London Borough of Tower Hamlets):** Yes. We support it. We think it will work. We do not have the evidence to prove it at this point.

**Tom Copley AM:** Thank you.

**Steve Moore (Director of Neighbourhoods, London Borough of Havering):** Chair, from a Havering perspective, we welcome it. We need to be more consistent on how this is applied. There is a level of inconsistency. We are still seeing a number of developers overpaying for land and coming forward with weak arguments like, "Maybe I cannot deliver any affordable", or 5% or 10% or 11%. Even our own internal viability assessments sometimes are questionable. The skills to carry out these things and the capacity to carry out the

viability assessments is an issue. Of course, it holds up development as well, which everyone is trying to see happen as well. If there was a more consistent approach taken across London so that all developers knew exactly how they would be measured from a viability point of view, it would be very helpful.

**Tom Copley AM:** Have you sought any advice from the Mayor's ---

**Steve Moore (Director of Neighbourhoods, London Borough of Havering):** We have. We have worked very closely with the GLA and James's [Murray] team in relation to trying to get that support to make sure we can increase our ability to push back with some of the developers who are coming forward with substandard levels of affordable housing.

**Martyn Thomas (Development and Transport Planning Manager, London Borough of Havering):** To that end, we recently met with Juliemma McLoughlin, Head [Assistant Director] of Planning at the GLA. She was explaining to us that one of the things she is doing is expanding the viability team.

**Nicky Gavron AM:** That is good.

**Tom Copley AM:** Excellent.

**Martyn Thomas (Development and Transport Planning Manager, London Borough of Havering):** She is looking to be able to offer that as a resource to the boroughs, which picks up on Steve's [Moore] points. That, potentially, is a very helpful way forward.

**Tom Copley AM:** Good. We are pleased to hear that. Nicky, did you want to come in on this point or was it a later one?

**Nicky Gavron AM:** No, sorry. It is not that point. It was the earlier point.

**Tom Copley AM:** Sorry. Can I just finish?

**Nicky Gavron AM:** It is OK. I will come in after you.

**Tom Copley AM:** Fine, yes. What about the extension of the 35% to other areas? It is being extended to build-to-rent. Is there any evidence as to the impact it will have on that?

**James Murray (Deputy Mayor for Housing and Residential Development):** On build-to-rent, because it is very new, there is still an open question around the components within the 35% of build-to-rent, which means that people do use the build-to-rent threshold sometimes - sorry, as in the 35% threshold sometimes - because you could set a definition of what that 35% had to include, which would be so impossible to deliver that no one would use it and so the threshold approach would not be worth having; or you could set it at a level where the affordability was not good enough, in which case you would be missing out on too much potential gain for Londoners as a result of the threshold. Getting the definition of the components of the threshold is really important for the success of this measure.

When you are talking about traditional, conventional homebuilding where it is a combination of social rent and usually shared ownership, people understand the parameters of it a little better and so people can specify what they want. Please, Mark [Baigent], correct me if I am wrong, but Tower Hamlets says 70% at social rent levels

and 30% can be intermediate. That sums up to 35% and you are happy that that is a decent amount of affordable housing to get from a scheme. That will be an example where people know the parameters of it.

In build-to-rent, people do not know the parameters yet because it is still quite early on. Therefore, in the SPG, we did not set a threshold approach for build-to-rent. We just said that it will be viability-tested with the view being that over time we could see what was coming through on viability-tested schemes and then possibly in the future say, "This is where things seem to be landing. This is how we could set out a threshold approach to build-to-rent".

What we decided to do in the draft London Plan was to set out an initial threshold approach for build-to-rent, which is the 35% but then including homes at London Living Rent for at least 30% of those homes. That is one way of saying, "Let us test this. Let us see how this works. Let us see if this threshold is appropriate". The London Plan can be updated and parts of it can be amended and so we can see if this works and if this needs to be amended in any particular way. It will be good to get to a situation where you could have a functioning threshold for build-to-rent, but the exact components of that threshold are still being teased out.

**Tom Copley AM:** Any more on that?

**James Clark (Senior Manager – Housing Strategy, Greater London Authority):** I was just going to say that, beyond build-to-rent, Tom, it is right that the threshold is also proposed to be applied in the Plan to student housing, retirement housing and shared living housing as well. The same goes for all of those, which is, because it was not in the SPG, it is almost impossible to say that they have had the impact yet because they have only just been introduced and they do not have that much weight in the system yet.

**Tom Copley AM:** I have some final questions on minimum space standards and permitted development and co-living. It is not possible for the Mayor to apply minimum space standards for permitted development, but potentially you could apply minimum space standards for new co-living developments. Is there any reason why you do not and is that something you should consider?

**James Murray (Deputy Mayor for Housing and Residential Development):** As you are right to say, within co-living, there is more flexibility around space standards than within conventional housing. By defining large-scale, purpose-built, shared living - or co-living for short - very precisely, it is an attempt to make sure that any flexibility around space standards stands no chance at all of impacting conventional supply. Conventional supplying has absolutely firm guidance around space standards and about room standards, which is new in this London Plan. It is really very firm indeed around the space standards for conventional supply whilst allowing flexibility in very tightly defined circumstances around co-living.

Again, with co-living, because it is quite new, it is still a question of seeing developments coming forward and seeing what the right levels are. A lot of that feedback is at the moment being given via individual planning applications. When an application comes to the Mayor, he will look at it and we will look at it and discuss it with him. He will say, "These look like too much on the smaller side. That is not the right side of the slightly grey line in terms of what the space standards should be in terms of co-living".

In terms of what will happen in future as the sector develops more, all policy can be updated, but at the moment it is way of allowing co-living to have a place in London's housing supply, but for any flexibility to be completely ringfenced so that it does not affect conventional supply in any way.

**Tom Copley AM:** In terms of the Mayor, say, declining an application for a co-living scheme on the basis that the rooms are too small, if the standards do not apply, what weight can he put on that?

**James Murray (Deputy Mayor for Housing and Residential Development):** At the moment, because it is so new, it would be very hard to pick an exact number and say, "This is the exact number right now". By looking at each individual application on a case-by-case basis, he can give a very clear steer that that is simply too small and, having made an assessment of it, he does not support that level of room size.

**Tom Copley AM:** Sure, but if a developer then comes back and says, "We are going to do it anyway", if the standards do not apply or if there is not a separate set of standards that applies, is it going to be more difficult for him to reject an application on that basis and for it to stand up?

**James Murray (Deputy Mayor for Housing and Residential Development):** The Mayor can reject it on the basis that he considers the rooms to be too small. It would be up to the developer if they want to appeal that, clearly. That would be an option open to them, but the Mayor can reject an application because he does not consider the space standards to be adequate.

**Darren Richards (Head of London Plan Team, Greater London Authority):** There is also a bigger factor of co-living in terms of the whole offer of the whole building and what else they are offering. These are very small developments, but they often offer other things. That is often what the Mayor looks at in terms of the overall package that is being offered for the development rather than just the size of the room because, in self-contained accommodation, you would expect that there is space in there for the other things you would expect to be provided as part of self-contained accommodation. With co-living, there are things like laundries, shared living rooms, large kitchens and those kinds of things, which all add into the assessment of whether or not it is a suitable environment for living.

**Nicky Gavron AM:** I do not understand this because, with co-living, what you are sharing is the communal space, usually. Not everyone wants a spare bedroom or something. Where are you squeezing the space standards, then?

**Darren Richards (Head of London Plan Team, Greater London Authority):** It is about the number of people sharing the kitchen and the number of people sharing that living space and the environment they are living in.

**Nicky Gavron AM:** They would have to be bigger, would they not?

**Darren Richards (Head of London Plan Team, Greater London Authority):** Potentially, and that is what the Mayor looks at in terms of referred applications. It is not just about the size of the room. It is about what other things are being provided.

**Nicky Gavron AM:** It is not about smaller space standards; it is about larger ones?

**Darren Richards (Head of London Plan Team, Greater London Authority):** It is just difficult to have space standards when you are talking about space standards for other uses in a building because co-living is not just about a bedroom. It is about co-living, which you do not have in self-contained accommodation.

**Nicky Gavron AM:** Sure, but we would not want to see --

**James Clark (Senior Manager – Housing Strategy, Greater London Authority):** I will just clarify that this policy is about non-self-contained. We had a situation before when there were lots of schemes coming in and it was not always clear whether they were non-self-contained co-living or self-contained very small micro flats or build-to-rent or student housing. There is quite a lot of blurring between all of those and probably retirement housing as well. What we attempted to do in the Plan was to distinguish those very clearly and define them to make sure that we were capturing the benefits in every case – for example, affordable housing for co-living – and in some cases, such as micro flats, self-contained very small footprint flats, they are effectively ruled out by the Plan because the space standards always apply to self-contained accommodation. What we have done is to very clearly distinguish between different uses.

**James Murray (Deputy Mayor for Housing and Residential Development):** That is partly to the point around making sure that the flexibility is contained within this very tight definition of co-living rather than in any way risking bleeding out into the wider supply.

**James Clark (Senior Manager – Housing Strategy, Greater London Authority):** The policy support for co-living is quite tentative in the Plan. H18(A) says, “Large-scale purpose-built shared living ... may have a role in meeting housing need”. Effectively, what the policy says is that, if it meets these very tight criteria, then it may be permitted to have some flexibility on housing standards. However, as James [Murray] says, it is very tentative at this stage because it is quite a new sector and we all want to see what it looks like.

**Sian Berry AM (Chair):** Did you have a question, Nicky?

**Nicky Gavron AM:** A very quick question. It is going back to the earlier part of Tom’s question. James, you were saying that – and I agree with this – what is good about the 35% threshold is that it gives certainty in advance and it will impact, therefore, on the land speculation. Yesterday, in the Planning Committee, we had an issue around land speculation because there is no maximum. There is no density matrix and there is no ceiling on density. There was a strong feeling that this would lead to land speculation. If you are looking at a mixed-tenure site, which you would be doing often with the threshold, then how are you going to deal with that aspect of it?

**James Murray (Deputy Mayor for Housing and Residential Development):** I might bring James [Clark] in in a second for some further detail, but it is important to recognise that although there were the guidelines for densities in the previous London Plan, they were very often exceeded and so, in fact, there were people already buying land on the basis of delivering at higher densities, and so --

**Nicky Gavron AM:** You could do something about that with this Plan, but you have not.

**James Murray (Deputy Mayor for Housing and Residential Development):** What we are saying is that every density on each individual scheme should be optimised, that good design should be integral to bringing forward that planning application and that it must include 35% affordable housing. One of the biggest determinants around the land value is going to be affordable housing. If you are building at high density and you are managing to optimise the density above what you might have done under another scenario, you are delivering more affordable housing because you are delivering 35% of whatever you are delivering. Even if you are building at higher density with more units on it, the 35% applies to a greater number of units and so you are getting more affordable housing out of it. The phrasing around ‘optimising density’ is really important because sometimes we know that it can be more expensive to build some very tall buildings in certain circumstances. Building a different form might be a better way of making sure people can meet the 35% threshold. James, do you want to?

**James Clark (Senior Manager – Housing Strategy, Greater London Authority):** Yes. I just distinguish between the policy objective for affordable housing which is about maximising affordable housing and so, in that case, it would make sense to set a minimum and let that feed into land values. Compare that with density where the policy objective is to optimise rather than minimise or maximise, if that makes sense. This means putting numbers in a plan and enforcing those rigidly does not make sense because that is not what the policy objective is. In some cases, it will make sense to have high densities and, in some cases, it might make sense to have lower densities. If you sit that alongside the point that James made around how the matrix in the current plan is very rarely stuck to in terms of input and applications, we not only get a lot of applications that seem to go --

**Nicky Gavron AM:** Seem to go above, yes; 15% do not though.

**James Clark (Senior Manager – Housing Strategy, Greater London Authority):** -- above but also 15% also come under the density matrix. It is clearly not being applied in a North American planning style.

**Nicky Gavron AM:** It is a benchmark.

**James Murray (Deputy Mayor for Housing and Residential Development):** Yes.

**Sian Berry AM (Chair):** Can I guillotine this conversation at this point because we promised not to discuss density. The Planning Committee discussed it yesterday and it is a very big topic. We do have an interest, though.

Can we move on to the next topic, which is the size mix of homes? Andrew is going to lead on that because that is very much of interest to us.

**Andrew Boff AM (Deputy Chair):** Mr Murray, can you explain why the SHMA assesses more than half of London's need to be for one-bedroom homes?

**James Murray (Deputy Mayor for Housing and Residential Development):** Just to be clear in case this comes up, the SHMA is not policy. The SHMA is an evidence base on which policies are then made. As you rightly say, the SHMA does identify there to be a large need for one and two-bedroom homes. There are a number of reasons around that. Changes to the underlying population and household projections. There are assumptions made around under-occupation and also the need to accommodate concealed households. For instance, people who might be living in overcrowding at the moment where the overcrowding is relieved via one or two people moving out of that home and into a smaller home. For a number of different reasons, the SHMA identifies that large need for one and two-bedroom homes.

We have to remember the starting point which is that the SHMA sets out how you would provide the housing that everyone needs to ensure the housing needs are met ie there is no overcrowding if all of the homes are identified in the SHMA. That might be through a combination of some larger homes, but it could be a large number of one and two-bedroom homes as well. As I said, it is down to the reasons around the changes in the population, assumptions around occupation and the need for smaller homes to accommodate concealed households. Those factors mean that there is that larger numerical need identified in the SHMA for one and two-bedroom homes but, as I say, policy is separate to the evidence base.

**Andrew Boff AM (Deputy Chair):** How reliable are the SHMA assessments given they are based on the English Housing Survey (EHS) sample of only 2,000 in London?

**James Murray (Deputy Mayor for Housing and Residential Development):** The SHMA is based on a number of different sources. James, do you want to come in about the evidence base?

**James Clark (Senior Manager – Housing Strategy, Greater London Authority):** We generally say it is the best estimate we can make with the available data and there is not anything else we can do about that. You are right. The English Housing Survey is not a large a sample as we would have liked but across the whole of London and over a reasonably long-time period, we do not only look at one year; we look at two or three years for the EHS. It gives us a confident enough estimate. We can always have better data, but we have to also do the assessment with the data that was available to us.

**Andrew Boff AM (Deputy Chair):** You have rightly identified that the SHMA is not a policy; it is just a piece of evidence. Similarly, that piece of evidence is not valued to put any particular weight of value on any particular housing need. It judges, or it does not judge at all, but the needs of, say, four students who are occupying a larger house for a couple of years is considered exactly the same in neutral to a family of people in over-crowding conditions. There is no value or weight put on any of that need. Is that correct?

**James Murray (Deputy Mayor for Housing and Residential Development):** That is exactly where policy along the Plan and in local boroughs comes in. The SHMA identifies in an analytical sense over a long-time period, without any judgements being made on any other basis, what homes would you need to meet all of the need over the time period. The plan policy and then local borough policy can then add in further steers.

For instance, for the first time, the draft London Plan gives boroughs guidance around the size mix of units for low-cost rent. In social rented homes, for instance, a borough might say they want particularly family sized housing or whatever steer they gave. That reflects the fact that, although over the long-term, the SHMA analysis period, you would need a particular number of one and two-beds which is set out within that SHMA, a local borough can say there is a pressing need, for instance, for social rented homes with families; therefore, that would be prioritised within their local plan. This draft London Plan, for the first time, enabled boroughs to do that.

**Andrew Boff AM (Deputy Chair):** At one previous Housing Committee, when we were considering the draft Housing Strategy and raised concerns about the loss of the family homes target, you assured us this would be addressed in the London Plan. It does not seem to have been addressed. It seems to have been abnegated.

**James Murray (Deputy Mayor for Housing and Residential Development):** The London Plan is very clear in that this London Plan, for the first time, requires boroughs to provide guidance on the size mix of low-cost rented homes based on local factors like overcrowding. That is what the London Plan does which previous London Plans have not.

Neither the current draft Housing Strategy nor the previous Mayor included a separate target for family-sized housing. Steers about family housing have only ever been given to --

**Andrew Boff AM (Deputy Chair):** There was a target in the Housing Strategy from the previous Mayor. Now you have no targets anywhere.

**James Murray (Deputy Mayor for Housing and Residential Development):** There was an aspiration in the previous Mayor's funding guidance.

**Andrew Boff AM (Deputy Chair):** And we saw the number of larger properties increase over his period.

**James Murray (Deputy Mayor for Housing and Residential Development):** The target that the previous Mayor set was not a target. It was an aspiration for funding bids and, if you look at the detail of his funding guidance, it said that there should be a certain number of family sized homes. They should only apply to discounted rent homes which is only half of the affordable rent homes under the previous Mayor's approach to the funding guidance. It was only ever an aspiration for funding bids. It was never a separate target within the Housing Strategy and certainly not within the London Plan.

**Andrew Boff AM (Deputy Chair):** It had a policy. In the London Plan, can you point where the Mayor identifies how important overcrowding is as a social problem in London?

**James Murray (Deputy Mayor for Housing and Residential Development):** The basis of the SHMA, the evidence base for the housing targets is based on overcrowding being addressed.

**Andrew Boff AM (Deputy Chair):** We go back to the original thing that it applies no value; it applies no difference between the different needs.

**Nicky Gavron AM:** It is an aspiration.

**Andrew Boff AM (Deputy Chair):** It is aspiration. As I say, four students living on Mile End Road, overcrowded for a little while, are considered exactly the same as a family that has been brought up for their entire young lives in overcrowded conditions. There is no value.

**James Murray (Deputy Mayor for Housing and Residential Development):** Let me set this out clearly for you. The SHMA is calculated on the basis of everyone's needs being met. Just start from that point of view. You are right in that SHMA is analytical and it does not make those extra judgements but from an analytical basis, the entire underpinning of the housing targets is around eliminating overcrowding. The issue of overcrowding is absolutely in the foundations of the SHMA which is in the evidence base for the London Plan Policy.

When you then come to the London Plan Policy itself around unit size mix, it is really important to see the distinction between market housing and low-cost rented, social rented housing because in market housing, we know that in practice a lot of what you might call family-size accommodation, three-bed plus, are in fact bought by investors and then rented. They do not go to families. It is the case that two-thirds of market homes which are family size do not have any children living there. They are lived in by individuals, couples or adult sharers. Prioritising family-size housing or three-bed plus housing within the market sector would not necessarily go for meeting family needs, whereas within a social-rented sector, the low-cost rented sector, councils can have housing registers and make sure those homes do go to those people whose needs are being targeted most directly.

If the local borough sets a target for low-cost rented housing for a particular number of three-bedroom plus homes to be brought forward, it can then make sure they are used by families.



**Andrew Boff AM (Deputy Chair):** For your own categorisation, where in the London Plan is there a policy related to removing overcrowding amongst those people who live in affordable housing?

**James Murray (Deputy Mayor for Housing and Residential Development):** It is very clear that when it says the individual boroughs can specify the size mix for low-cost rented homes, that will be based on local factors such as the rate of overcrowding.

**Andrew Boff AM (Deputy Chair):** You do consider overcrowding to be a London-wide problem.

**James Murray (Deputy Mayor for Housing and Residential Development):** It is a London-wide problem, which is why it is part of the --

**Andrew Boff AM (Deputy Chair):** If it is a London-wide problem, why does it not have a London-wide expression?

**James Murray (Deputy Mayor for Housing and Residential Development):** It has a London-wide expression in that boroughs across London are encouraged to set size mix requirements for low-cost rented housing based on factors that would include overcrowding. Individual boroughs can see their local evidence on what they know about their housing needs assessment within their local borough and set the appropriate size mixes.

**Andrew Boff AM (Deputy Chair):** Are there boroughs without any overcrowding problem?

**James Murray (Deputy Mayor for Housing and Residential Development):** No, I do not think there is.

**Andrew Boff AM (Deputy Chair):** Without targets for new family housing, what incentive is there for developers to build larger new homes? We talked about your affordability targets, the 35% earlier, which you decide to impose London-wide. Why do you not have targets for new family housing? If you do have a target, what is the incentive for developers to build those homes?

**James Murray (Deputy Mayor for Housing and Residential Development):** It is for individual boroughs who are required to set guidance around size mix for low-cost rented homes. There will be those targets for low-cost rented homes. What we are saying is that we want those targets around the size mix, which can include family housing, to be focused on low-cost rented homes, not on market housing which, as we know, for the reason I just set out, quite often it can be bought by investors, let out to sharers and so on and not helping families in need.

**Andrew Boff AM (Deputy Chair):** How does the new London Plan promote downsizing?

**James Murray (Deputy Mayor for Housing and Residential Development):** The new London Plan is setting out what homes need to build in order to meet everyone's need and that does not assume any downsizing within the market sector and occupation. It does not assume any downsizing there. It assumes a degree of downsizing within the social rented sector and the private rented sector but that is separate. The owner-occupied sector assumes no downsizing. It assumes that under occupation continues at the same rate that currently exists.

The way that downsizing can be promoted is by providing the right kind of homes to people to downsize into. You might well have a situation whereby, for instance, the local authority would want to encourage

two-bedroom homes which are ringfenced for older, under occupiers to downsize into because that might be a particularly attractive thing for people who are currently living in three or four-bedroom homes to downsize into. It would allow boroughs the flexibility to set targets around the kind of housing that would be attractive to downsizers.

There is also some policy within the London Plan around housing which is attractive to older people, not just sheltered or housing to live in with care support, but also more generally housing which is attractive to older people. The idea there is that by providing attractive housing for older people to downsize into, they might voluntarily make that choice.

**Andrew Boff AM (Deputy Chair):** You expect older Londoners to downsize to a one-bedroom flat?

**James Murray (Deputy Mayor for Housing and Residential Development):** No. It is very clear that in the SHMA, it is on the basis that people who are in --

**Andrew Boff AM (Deputy Chair):** You said that SHMA is just a technical assessment. I am talking about the London Plan and how the London Plan has translated the SHMA into policies that matter.

**James Murray (Deputy Mayor for Housing and Residential Development):** The London Plan does not have any directive around downsizing. It is around providing the homes which will then meet Londoners' needs. That may involve some downsizing in the social rented sector or assume some downsizing in the social rented sector and the private rented sector but not in owner occupation.

**Andrew Boff AM (Deputy Chair):** Are you just assuming that people will downsize?

**James Murray (Deputy Mayor for Housing and Residential Development):** No. In the owner occupier sector, we are assuming there will not be downsizing on the basis of the SHMA figures.

**Andrew Boff AM (Deputy Chair):** You talked earlier about some of the new housing is about meeting the needs of existing requirements, that it is not all about demand, it is about existing requirements. How many young people are living in overcrowded conditions in London?

**James Murray (Deputy Mayor for Housing and Residential Development):** Yes, I can tell you the statistics around that but I do not have them.

**Andrew Boff AM (Deputy Chair):** It is 360,000. Do you not think that is a problem that is worth addressing by addressing the fact that there is little supply for those families to move to a more appropriate sized property?

**James Murray (Deputy Mayor for Housing and Residential Development):** Where you have overcrowded families at the moment, there can be a number of different ways in which the overcrowding is caused. It could well be that you have a parent or two parents with young children and they need a larger home, therefore, they might be living in a one or a two-bed and need a three or four-bed; you could have that situation. You could also quite commonly have the situation where the children are adults themselves but still living at home because they are unable to afford somewhere to move out into. In that situation, you might have overcrowding, let us say, in a two-bed home and what they need, what the family needs to relieve each individual's overcrowding is not necessarily a three or four-bedroom home but maybe two two-bedroom homes

or a two-bed and a one-bed or some combination along those lines because overcrowding can be caused by adult children living at home as well as children who are still dependent.

**Nicky Gavron AM:** It is not the same kind of overcrowding.

**Andrew Boff AM (Deputy Chair):** It is completely different.

**Nicky Gavron AM:** It is not the same kind of overcrowding. You have already been growing up in a home with two of you in one bedroom but if you are in a private rented flat, children sleeping with their parents --

**Andrew Boff AM (Deputy Chair):** A bit too late.

**Nicky Gavron AM:** It is different.

**James Murray (Deputy Mayor for Housing and Residential Development):** With respect to that, the point I was making, and the solution is different in that if you have, let us say, a family living in a social rented property and there are dependent young children, then the solution may well be a larger home for that family to move into. If you have a situation where a family is living in social rented accommodation and the children are all adults themselves, the right solution might not be for everyone to move into a larger family home but to split into separate households, therefore, you have a larger number of smaller properties for them all to live in. That was the point I was making.

**Nicky Gavron AM:** Sure. I misunderstood your point. I am sorry, James.

**Andrew Boff AM (Deputy Chair):** Of course, many communities in London, there is a requirement for larger properties, not splitting up the family because many families support each other, intergenerational support and they tend to live in the same home and yet, those houses are not coming forward, are they? Those five-bedroom, those six-bedroom; I am not asking for every single development to be five or six-bedrooms, but those five or six-bedroom developments are simply not happening.

**James Murray (Deputy Mayor for Housing and Residential Development):** What you are highlighting here is the difference that you can have across London, and local boroughs should be able to understand what their needs are specifically in terms of the size mix of homes.

**Andrew Boff AM (Deputy Chair):** There is no incentive, is there, Mr Murray, for people to build those homes if it is not in the Housing Strategy and it is not in the London Plan? It means you are not going to pay for them and you are not going to even advise them to build them.

**James Murray (Deputy Mayor for Housing and Residential Development):** It is in the draft London Plan. The draft London Plan says the boroughs should set requirements around the size mix of low-cost rented homes. I do not want to put a borough on the spot, but if Tower Hamlets --

**Andrew Boff AM (Deputy Chair):** Do you not see the point?

**James Murray (Deputy Mayor for Housing and Residential Development):** Chair, I suggest it might be worth asking Tower Hamlets --

**Sian Berry AM (Chair):** We will come to the boroughs in a moment.

**Andrew Boff AM (Deputy Chair):** I am going to move on to the boroughs, yes. Do not worry. Do you not see the point that out of three-quarters of a million words in the London Plan and there is only one reference to overcrowded homes, developers are going to say, "It is not that important here"? I remember going up to Manchester one time. We were on a trip about the Olympic Park many years ago, and I said to the Chief Executive there, "What are you doing about your overcrowding in Manchester?" He said, "What overcrowding?" This affects London more than any other area of the country and yet we have one reference to it in the London Plan and we have a Housing Strategy that does not attach any kind of funding whatsoever to building those very important larger homes. Do you understand the concerns of this Assembly when it sees a London Plan and a Housing Strategy that virtually says, "It is not our problem"?

**James Murray (Deputy Mayor for Housing and Residential Development):** What I cannot understand is why my explanation to you does not seem to be clear enough because I am being very clear that, for the first time, the draft London Plan sets out a requirement for boroughs to set out how many homes of different sizes they want in low-cost rented housing. That is where we are able to build housing to tackle overcrowding; that is why the London Plan has the clearest hook for boroughs to set out what their size mix requirements of new homes and for the first time it is included in this draft London Plan. I am afraid I do not quite understand --

**Andrew Boff AM (Deputy Chair):** There are no numbers, no targets and no real expression in the London Plan of how important this problem is.

**James Murray (Deputy Mayor for Housing and Residential Development):** It is there because in the primary policy around what the mix should be of low-cost rented housing, it says boroughs should set expectations around what their size mix requirements are. It is something which is not in previous London Plans. It is, for the first time, saying the boroughs should give a steer about what size mix they want for low-cost rented housing, specifically to tackle issues including overcrowding. It mentions it there in black and white.

**Andrew Boff AM (Deputy Chair):** What is also in black and white is that the London Plan is saying that two-bedroom units should be taken into account when assessing the need for family homes. Do you think Londoners living in overcrowded positions and overcrowded homes will consider a two-bedroom flat a family home?

**James Murray (Deputy Mayor for Housing and Residential Development):** It depends on the need of that individual family.

**Andrew Boff AM (Deputy Chair):** If that is what you can meet and that is what you can justify, you say, "I am going to build family homes and they are going to be two-bedroom flats".

**James Murray (Deputy Mayor for Housing and Residential Development):** It depends what the family needs. You cannot generalise about what a family might need. You might have a parent with one child --

**Andrew Boff AM (Deputy Chair):** You have to provide for them. You have to identify that need and you have to cope with that need.

**James Murray (Deputy Mayor for Housing and Residential Development):** That is what individual boroughs are able to do. You might well have a family where you have a parent with a child that may need a two-bedroom home.

**Andrew Boff AM (Deputy Chair):** Can I ask perhaps, Havering, how you consider -- I beg your pardon.

**Sian Berry AM (Chair):** Sorry, yes. I have Tom and Leonie both waiting to ask questions. I want to open the boroughs on this, but do you have comments which are --

**Tom Copley AM:** I do. First of all, as Andrew has just raised it on the two-bed family, I can sort of see what you are trying to say but it is not coming across the way it is intended. It feels like it is almost justifying overcrowding which I am sure is not your intention. I know that is not your intention but that is how it comes across. I suspect most families living in two-bed accommodation potentially are overcrowded. I would hope that wording could be taken out or revised somewhat in the subsequent plan.

**James Murray (Deputy Mayor for Housing and Residential Development):** I will be making that point again.

**Tom Copley AM:** Thank you, that would be great. I know the SHMA is evidence and not policy but, for example, according to the SHMA, we need half the number of three and four-bed low-cost rented homes each year as we do market rented homes which seems quite counterintuitive.

I take your point about not setting prescriptive size mixes for market rents on the basis that they are often bought by investors and rented out to individuals rather than families. That does not mean, at some point in the future, they will not be lived in by a family.

**Nicky Gavron AM:** Good point.

**Tom Copley AM:** They might be sold on, we do not know. I know the Plan period is five years but the SHMA is over 25 years. Over those 25 years, you have much more flexibility with a three or a four-bedroom property than you do with a one-bedroom property. Has that been taken into consideration?

**James Murray (Deputy Mayor for Housing and Residential Development):** The SHMA, although this is around larger homes being bought and then rented out to sharers as one driver of the policy, it is also significant about the underlying household projections, about the formation of smaller households over time. It is also the need for one and two-beds is not just based on the issue which you have just discussed around multiple sharers living in larger homes. It is also based on what the underlying households are. If you have a household of one or two people, having them living in a home which is around the right size for their need, it may be better than them sharing in perpetuity. You can argue both ways.

**Tom Copley AM:** One last point, which is specifically on low-cost rent, where you need to have some sort of target. I know you said it was not in the Housing Strategy; it was the funding guidance. We had David Montague [Chief Executive, London & Quadrant] to this Committee and he said very clearly to us that their focus would be on one or two-beds. I suppose, from their point of view, that is what they will deliver. The £60,000 grant rate is the same whether or not you are building a one-bed or a four-bed. Obviously, the incentive for them is to build smaller units. Surely that makes it even more important for there to be a strategic target in the plan. Not just leaving it up to boroughs but having a strategic London-wide target which is going to encourage housing associations to build these larger units.

**James Murray (Deputy Mayor for Housing and Residential Development):** As you rightly highlighted, yes, in the London Plan before, there has never been a target for family housing. For the first time, we are

saying, particularly on low-cost rented housing where the size mix really matters, in terms of tackling issues like overcrowding, we are giving a steer that we shall require boroughs to provide guidance on that for low-cost rented homes.

**Tom Copley AM:** In some parts of the Plan, you are very prescriptive on boroughs and in other parts of the Plan, it is very hands off. I am wondering almost where the logic is in something as important as this not having a figure that the Mayor says is important.

**James Murray (Deputy Mayor for Housing and Residential Development):** The truth is that it will vary from borough to borough around what their housing needs are. That is why the Plan is quite clear about requiring boroughs to provide this guidance and we do expect boroughs to work out what their needs are of their local population living in social rented housing and make sure that they are setting clear planning policy around what kind of homes are needed.

**Sian Berry AM (Chair):** I do not know how much longer we can wait before we hear from the boroughs on this. We can carry on arguing. However, can we get their views as soon as possible?

**Nicky Gavron AM:** Can I just ask a technical question?

**Sian Berry AM (Chair):** No. We should move on to hear from --

**Leonie Cooper AM:** No. I put my hand up a long time ago.

**Nicky Gavron AM:** Sorry, Leonie.

**Leonie Cooper AM:** Thank you very much. Mine is also about the mix of sizes of homes but partially coming from the other end. Andrew [Boff AM] started with the comments about the SHMA and this assessment that we need lots and lots of one-beds. You then said, "In the real world, we are not really assuming that, and a lot of that need is being driven by older people who are possibly in properties that they are under occupying". I do have a big concern about property for people who are knocking around in places that are simply too large for them. You just said that we do not really expect them to downsize into one-beds. If we are not expecting them to downsize to one-beds, hopefully we are then going to completely ignore that part of the SHMA that says that we need lots of one-beds.

My concern is also partly driven by some historical evidence. We ended up in 1989/90, just as mortgage interest relief at source (MIRAS) was being removed by the Government, with builders all over London shoving up thousands of blocks of flats with lots and lots of one-beds. MIRAS was then removed. There was then this massive overhang and the Government rode in, as it has not have done for Carillion, to help all these poor builders because most building companies are very impoverished and deserve Government assistance - not - and invented the housing market package and then got housing associations to buy really poor-quality blocks that contained lots and lots of one-bedroom flats. That was also because people were getting into trouble with their mortgages because, in some cases, they had bought places that were then worth half of what they had paid for them and all this sort of thing. We are seeing a bit of a slump in the housing market again. I am really worried about this concept of moving towards the smaller units. I am coming at it from the other end because I am wondering who is going to go into them because I cannot see older people, who seem to form the largest number of the new smaller households, being interested in them.

I have run decant schemes and tried to persuade older people to move out of three and four-bedroom places and you cannot. They do require at least two-bedrooms and, apart from anything else, having their children or their grandchildren or carers coming to stay, it is absolutely essential that they have another bedroom, therefore, it becomes a home for life and you are not expecting them to move.

I am hoping that we are going to move more towards twos, threes and fours but coming at it from the other end. Can you guarantee that is definitely what we are going to see?

**James Murray (Deputy Mayor for Housing and Residential Development):** Just to separate out a few of the points there. On the point around downsizing, just to reiterate, the SHMA does not assume any downsizing in the owner-occupied sector. A lot of that need for one and two-beds would be various factors but, for instance, newly born households, assuming particularly the households who are owner occupying in their medium, longer term are less likely to under occupy than existing households because of the cost of housing. A newly formed household is more likely to buy a home with the more number of bedrooms close to their need than they might have done a generation ago.

It also seems there may well be some households which are currently concealed, therefore, people living with other people, but they want their own home as their own household. There were new sources of household for those one and two-beds which does not involve any downsizing from owner occupiers.

In the social rented sector, downsizing is something where I agree, and I say this with my previous hat on, you were much likely to be able to encourage people to downsize from a three or four-bed to a two-bed than to a one-bed. Tom [Copley AM], when I had the previous job, you came to see a great development of two-bed homes in a development ringfenced for five bedroom households and people were very keen to move in there because they were well designed for older people. Everyone moving in there freed up a three- or a four-bedroom home by building these 20-odd two-bedroom homes in this development. That is an example there where the local borough would be encouraging the delivery of two-beds, which would free up a large number of family-sized housing on the housing waiting list. That is quite a good example of where you can create more availability in larger-sized family housing by building smaller housing, if it is ringfenced for two-bed homes, for instance, for people to downsize into.

**Leonie Cooper AM:** It has to be really well designed. I have done the same thing and did a whole set of decants from people into a tower block, which young families did not wish to live in, that was on the edge of town, but converted a couple of the flats on the ground floor to being communal facilities, and then got a lot of people who were previously under-occupying to move in. They did have the advantage of having beautiful views of the sea from balconies, but it was really unpopular and it had been massively under-occupied. [There was a] waiting list as soon as we said it was for people 55-plus. Reimagining some of what we are doing is really important.

Are you really saying, then, the one-beds are going to be completely filled by people in these hidden potential households of people in their 20s and 30s and possibly their early 40s, who have been unable to move out from living with their parents? Is that what we are saying?

**James Murray (Deputy Mayor for Housing and Residential Development):** It is not entirely that. It is also new household formation over time, so people who we expect to move to London, people who are growing up in London, people who are forming new households in London. We expect there to be a large number of people requiring one- or two-beds over the long-time period that the SHMA analyses.

To your other point around one-bed developments, lots of one-beds in one development, there is a policy in H12.B: generally, schemes consisting mainly of one-bed units should be resisted. Although the SHMA has identified that need for smaller properties, there is nonetheless a very clear steer that developments of one-beds only should be resisted.

**Leonie Cooper AM:** “Mainly” one-beds. That could mean that one that has 49% one-beds could be approved because that is not “mainly”, that is less than 50%. It is really important to restrict the number. Most people do not want to live in a one-bedroom flat. Having lived in several one-bedroom flats myself for many years but with very good space standards, it would be an issue for most people at whatever point they are in their lives. Anyway, thank you.

**Andrew Boff AM (Deputy Chair):** Could I perhaps ask the boroughs about these size standards? To just pick up one point that the Deputy Mayor said, for instance, a large family might downsize to two other properties. How practical is that? Would you be able to make two properties available at the same time to the same family?

**James Murray (Deputy Mayor for Housing and Residential Development):** One second. Sorry, just to correct, that is not strictly what I said.

**Andrew Boff AM (Deputy Chair):** I beg your pardon. I did not mean to --

**James Murray (Deputy Mayor for Housing and Residential Development):** I said that you could well have overcrowding in a household which is relieved by some members of that household moving into a smaller property. You might have, for instance, in a two-bed home, a need for more than two beds, but that is relieved by, let us say, one adult child moving out into a one-bed.

**Andrew Boff AM (Deputy Chair):** The remainder of their family staying in the property?

**James Murray (Deputy Mayor for Housing and Residential Development):** Yes. The key point there is it does not require the initial property to be vacated. It could just mean grown-ups moving out or household units moving out into new ones.

**Andrew Boff AM (Deputy Chair):** I am genuinely sorry. I misunderstood. On the issue of family-sized housing, of course, we do not know what ‘family-sized’ is going to mean now. It could mean two-bedroom. You may as well make it ten-bedroom, for all I care. It just seems a distortion of what a family-sized home is. How are the boroughs going to deal with this lack of aspiration for family-sized homes?

**Steve Moore (Director of Neighbourhoods, London Borough of Havering):** It is a very interesting debate, by the way. It is quite interesting from an officer point of view, sitting there and listening there, and understanding some of the conversations around that. Havering is an outer London borough and so a lot of the things mentioned in the London-wide SHMA are here. Locally, our SHMA in 2016/17 identified that 80% of our needs were three-bed-plus. That is fundamentally different than what is in the London Plan. That was 2016/17, Martyn, was it not?

**Martyn Thomas (Development and Transport Planning Manager, London Borough of Havering):** Yes.



**Steve Moore (Director of Neighbourhoods, London Borough of Havering):** Yes. That is very recent. Again, inner London will have a different dynamic.

**Andrew Boff AM (Deputy Chair):** 80%?

**Steve Moore (Director of Neighbourhoods, London Borough of Havering):** Yes. That is a key factor for us in looking at need, and of course it is nigh on impossible to hit that need. We know that, so we try to aspire to that as best we can. There is a real risk with this sometimes if we are talking about numbers. There is a very technical discussion around numbers. I am Director of Neighbourhoods for the Council, which is Director of Place, so the clue is sort of in the title. It is looking at people, it is looking at the wider community and wider community needs and infrastructure. As I have mentioned today, it is just not about housing. It just does not work. If you look at it in isolation, it is about creating the community resilience. Through our regeneration programmes, we try to look at opportunities - whether they are young 30-something professionals, stereotypically, or family accommodation, or people with assisted living needs - where we have the opportunity to build that into the wider footprint of the regeneration so that people can move around and support their needs. From a community resilience point of view, it is quite critical for us to be able to manage down demand. That is certainly at the forefront of what we are looking to do as a local authority.

I know I have said it two or three times today, but I will say it again: this is really not about building housing. This is about creating good, new communities which meet the needs of that population. If you look at housing completely in isolation, then it does create challenges and can increase the cost to local authorities.

As I say, some of those statistics are probably quite surprising for you, but Havering is also --

**Andrew Boff AM (Deputy Chair):** Actually, they do not surprise me.

**Steve Moore (Director of Neighbourhoods, London Borough of Havering):** There is a flipside to that. London is moving and the dynamics are changing. Havering has been a place, like most outer London boroughs, that has attracted people who have moved out from inner London to outer London to more green spaces, parks, that sort of thing, to start families and that sort of stuff. Historically, it has been a place of settlers, where people have chosen to move to, primarily from inner parts of east London. That dynamic is changing through welfare reform, as a lot of people, from an affordability point of view, are not choosing to move out to Havering. They have no option but to move out to more affordable parts of London. That chasing along that A13 corridor is going on at the moment, and with that is coming a different demand that we need to adjust to as a local authority, and that needs to factor into our needs going forward, and we need to get more intelligence around what that demographic change is going to bring to the needs over the next five, 10 or 15 years. Working closely with colleagues in the GLA to understand that dynamic and that movement is going to be important.

**Martyn Thomas (Development and Transport Planning Manager, London Borough of Havering):** What I have been encouraged about is hearing the Deputy Mayor confirm that, provided we have our own local evidence about what is needed in Havering, and it is up-to-date and relevant and we can support it, then we have a reasonable amount of flexibility and latitude to make sure that our planning policies are aimed at delivering those sorts of units for the benefit of the borough. That is encouraging, very positive.

**Andrew Boff AM (Deputy Chair):** Are you confident that you will be able to resist developers who want to put in developments that you do not identify as your local needs?

**Steve Moore (Director of Neighbourhoods, London Borough of Havering):** That is a really good question and one I have put a little question mark against here when I was asking my colleague earlier on. Developers will play that game. They will say, "You might turn it down locally, but we will link it to the London Plan and that will trump you". That is something we would need to understand a bit more about where that hierarchy does sit, because developers will normally default to the London Plan or NPPF in relation to getting what they want to do eventually. If it is more financially viable for developers to build one-bedroom apartments than it is family accommodation, that is something we are going to have to keep a close eye on.

**Andrew Boff AM (Deputy Chair):** Just to take that point on, we have had an admission from the Mayor in the last Mayor's Question Time that he would turn down developments if the room sizes were too big. Do you see that as a problem, if Havering is coming forward and providing homes that are suitable for larger families, and the Mayor says, "No, your room sizes are too big"? It has never been in the Plan before.

**James Murray (Deputy Mayor for Housing and Residential Development):** As a general point, the Mayor can turn down any application that does not accord with his planning policy. I am not quite sure what you are --

**Andrew Boff AM (Deputy Chair):** In this policy - and it was not in the previous plan - boroughs are to resist developments with significantly high room sizes. It does not say what 'significantly' means, but it could be room sizes --

**Nicky Gavron AM:** Does it say room sizes or space standards?

**Andrew Boff AM (Deputy Chair):** Room sizes.

**Sian Berry AM (Chair):** This is more Planning Committee than --

**Andrew Boff AM (Deputy Chair):** Sorry. I am concerned that the Mayor is going to default to the London Plan if we get a developer who is perhaps trying to get away with not providing the homes that Havering or Tower Hamlets want, that the Mayor will grant them because there is nothing in the London Plan to stop him from it as such.

**James Murray (Deputy Mayor for Housing and Residential Development):** Sorry, what was the question in that?

**Andrew Boff AM (Deputy Chair):** I do not know. It was a kind of question. Do you not feel that there is insufficient protection for the boroughs to be able to fashion local housing developments according to their local need?

**James Murray (Deputy Mayor for Housing and Residential Development):** I hesitate to sound like a broken record, but the draft London Plan, for the first time, requires boroughs to set out guidance on what unit size mix they want to see in low-cost rented housing. In terms of their cover by the London Plan, it is clearer and stronger than it has ever been.

**Andrew Boff AM (Deputy Chair):** That really is debateable. Can we hear from Tower Hamlets about the room sizes?

**Mark Baigent (Interim Divisional Director of Housing, London Borough of Tower Hamlets):** Yes. Certainly from a Tower Hamlets point of view, the issue of overcrowding is massive, and it is something we monitor very carefully locally and set ourselves targets around. In terms of our waiting list, our housing register, there are many thousands of households on that register and we know we have thousands of children in overcrowded conditions. We want to address that, and we are addressing that. In terms of being able to set clear targets for the social sector in terms of new developments and that sort of thing, we already do, and so we welcome that.

In terms of the mix, if you look at our housing register, it is two-beds that we have the biggest need for, but equally we do have large extended families; we do have a need for larger bed sizes as well. I am sorry, I do not have all the figures in front of me, but we could send you that.

**Andrew Boff AM (Deputy Chair):** Sure. At the source of that two-bed requirement, the source of your assessment, is that the SHMA?

**Mark Baigent (Interim Divisional Director of Housing, London Borough of Tower Hamlets):** We have done our own local housing market assessment and we have our housing register which provides details of what --

**Andrew Boff AM (Deputy Chair):** Then again, it is cold statistics, rather than weighting according to any social need.

**Mark Baigent (Interim Divisional Director of Housing, London Borough of Tower Hamlets):** As I say, we have figures for overcrowding locally, which we can provide to you. I did not bring them --

**Andrew Boff AM (Deputy Chair):** That would be very useful. I appreciate it.

**Mark Baigent (Interim Divisional Director of Housing, London Borough of Tower Hamlets):** Our concern: we would like to be able to require developers to provide family-sized homes, not just in the social sector but also in the market sector. That is something we would want to see happening. I take the point that those homes do not always end up immediately going to a family, but in terms of future stock mix in the borough we would want to see family-sized homes in the market sector, too. That is something we would like to be able to put into our requirements as well.

**Andrew Boff AM (Deputy Chair):** You will agree with what Tom Copley said earlier that this is not really about who is going to move next into that accommodation. It is about, in the long term, the stock being available to accommodate London's needs in the future.

**Mark Baigent (Interim Divisional Director of Housing, London Borough of Tower Hamlets):** Exactly.

**Andrew Boff AM (Deputy Chair):** I am done.

**Sian Berry AM (Chair):** I have a couple of follow-ups to the boroughs - myself, sorry - about local needs assessments. You are doing these; you are looking at overcrowding locally and the needs locally. Are they all done according to the same methodology? Are they comparable? One thing I noticed from the London Plan is that, while we have overall figures for London about overcrowding that come from the EHS, that does not break down per borough. Like we said before, there are 2,000 per year even to get London-wide estimates.

They look at them across a three-year basis. Are you all using the same methods? Are your overcrowding statistics comparable so that we could build up a picture across London?

**Martyn Thomas (Development and Transport Planning Manager, London Borough of Havering):** My understanding is that our SHMA is good practice and meets all the necessary requirements. It has certainly been shared with the London Plan team because they have commented on our emerging Local Plan, and I am not aware of any concerns about how we have done the work. We have done an assessment which is shared with Barking and Dagenham and with Redbridge as well and so it is the housing market area, which, again, we understand to be what we have to do.

**Sian Berry AM (Chair):** Yes, the Mayor encourages sub-regional --

**Martyn Thomas (Development and Transport Planning Manager, London Borough of Havering):** Yes, exactly. Yes.

**Sian Berry AM (Chair):** Tower Hamlets, do you use the same methods as other boroughs to work out your needs in that way?

**Mark Baigent (Interim Divisional Director of Housing, London Borough of Tower Hamlets):** Yes. There are one or two differences. In terms of the GLA SHMA for the affordable sector, there is a higher number of one-beds coming out of the GLA analysis than our own assessment. There are a few anomalies like that, which I think is something to do with the application of benefit rules. I am not an expert on that area. I would be happy to get someone to answer that.

**Sian Berry AM (Chair):** OK. We have been looking at the SHMA in some detail. We would be interested to know the differences.

You are using your housing registers, the people who are registered for social housing, as part of assessing that need. If you have an older person who is living in social housing in a larger-than-needed home, when you are doing a downsizing programme, when you are assessing their needs, are you assessing them as needing a one-bed? Social housing, how many bedrooms you can get, that has got really tight lately when it comes to allocations policies. Are you assuming that the older people in social housing will move into one-beds?

**Mark Baigent (Interim Divisional Director of Housing, London Borough of Tower Hamlets):** In terms of what we offer people, we generally offer people a two-bed if that is what they want. Some people do want a one-bed. It is not a blanket policy. There will be a difference in the rent. For some people, that makes an impact and they would rather choose to pay less rent. For heating the home and all those factors, there is a higher cost if you take the two-bed on.

**Sian Berry AM (Chair):** When you offer a downsizing incentive, that applies even if they are moving into a two-bed, then?

**Mark Baigent (Interim Divisional Director of Housing, London Borough of Tower Hamlets):** Yes.

**Sian Berry AM (Chair):** Is it the same in Havering?

**Steve Moore (Director of Neighbourhoods, London Borough of Havering):** It is the same. Again, we do encourage downsizing where applicable. Funnily enough, our revised housing allocations policy went

through our Cabinet last week and has gone out for consultation. Some of the general feedback from local members is: someone may live on their own, but what if they have needs or a carer or someone that is coming to stay? That is a fair challenge. It made me think twice as well. It is not just about the one, but it is about the individual needs. We need to look at the individual cases of each individual when we look at the allocations policy.

**Sian Berry AM (Chair):** How do you measure overcrowding? The EHS does not let you do it.

**Steve Moore (Director of Neighbourhoods, London Borough of Havering):** I will defer to you. I am not an expert on this.

**James Clark (Senior Manager - Housing Strategy, Greater London Authority):** My understanding is the only consistent borough-level measure of overcrowding is the census, which is very frustrating because it is a 10-year measure. The latest data we have that is robust at a borough level is census. The EHS is robust at a London-wide level and that is what we use to inform the SHMA. At borough level, it is always a challenge with local SHMAs, which is one of the reasons why we do not strongly support borough-level SHMAs to get the level of detail we need on housing needs, just because it is all in the census.

**Sian Berry AM (Chair):** That is really difficult because you are devolving this to the boroughs. One thing I would quite like to feed back to you is that this could do with a London-wide strategy. James has given some nice examples of work that Islington has done, but there does not seem to be anything in this policy to encourage that, or even within the Housing Strategy. Measuring it would be the starting point, would it not?

**James Clark (Senior Manager - Housing Strategy, Greater London Authority):** Just because there is not a consistent borough-level way to measure overcrowding, that does not mean that every borough in each case will use, for example, their waiting lists, and that is partly determined by what your waiting list policy is because not everyone can join the waiting list, but most boroughs are able on their own to make an assessment of the number of overcrowded households that need social rented housing. It is just those numbers are not comparable between boroughs because there is not a consistent way to do that.

**Sian Berry AM (Chair):** We would really like the Mayor to do some work on this. If you are looking for one thing, it cannot be that hard to do.

**Andrew Boff AM (Deputy Chair):** We made this recommendation in 2011 --

**Sian Berry AM (Chair):** Thank you. I thought we might.

**Andrew Boff AM (Deputy Chair):** -- and so we would really like one Mayor to do it, and I might say something nice about the Mayor.

**Sian Berry AM (Chair):** OK, we are going to have to move on to the next topic.

**Andrew Boff AM (Deputy Chair):** I might. I might.

**Nicky Gavron AM:** Am I allowed to ask a question?

**Sian Berry AM (Chair):** We have very little time and we need to talk about small sites, Nicky. I am really sorry.

**Nicky Gavron AM:** It could be written, the question. It is very relevant. The current SHMA is based on the EHS to a certain extent, and you told us, when we had our informal meeting about it, that it was also based on aspiration. It is only a sample of 2,000. What I want to know is whether the last SHMA - you could write and tell us - was also based on EHS and 2,000. As far as I know, the last SHMA came up with a need for many more family houses than this SHMA does, and I would be interested to know how we got to that and how we have got to this SHMA, which comes up with so few family houses.

**James Murray (Deputy Mayor for Housing and Residential Development):** I believe it was based on the same EHS but, because James was involved in the previous one --

**James Clark (Senior Manager - Housing Strategy, Greater London Authority):** Yes. Essentially, the methodology is the same as the previous SHMA, which made it through an examination-in-public and the inspector was happy with it. Where there is more recent data available, we have used more recent data.

On your point about families and smaller units, our demographic projections have changed. We now think - our demographers tell us this - that the number of smaller households that are going to be forming over the 25-year period of the SHMA is going to be larger than we envisaged in 2013 when we did the previous SHMA. Basically, the facts have changed.

**Nicky Gavron AM:** Yes, but the previous SHMA was not based on the EHS that you are using. It was based on a much earlier one, which was the London Household Survey, which was very complete. I may be wrong. I just want facts.

**Andrew Boff AM (Deputy Chair in the Chair):** Thank you, Assembly Member Gavron. If you could write to us sorting out some of those problems, I would appreciate it. Assembly Member Cooper?

**Leonie Cooper AM:** Back to size, but this time site size, and looking specifically at small sites, which, James [Murray], you covered in your initial remarks. We have the target for 38% of the 65,000 dwellings to be delivered on small sites, which equates to 24,700 units on 988 sites, if you assumed that they were all going to be 25 dwellings. It could be up to 1,000 if some are smaller than that. Can you explain how you arrived at this target?

**James Murray (Deputy Mayor for Housing and Residential Development):** Sure. As you rightly say, small sites are a really important component of the overall land supply for hitting the 65,000-capacity target. What the modelling did was look at the trends in intensification among small sites in London and assumed that rate of growth can be replicated at a greater frequency across London as encouraged by the policy. For instance, it identifies where existing residential accommodation could be intensified, so within 800 metres of a town centre or a Tube or rail station or places with Public Transport Accessibility Level (PTAL) 3 to 6. It then applies assumptions around the rate of growth that could be expected to those sites as a result of the presumption in favour of development in the new draft London Plan. It obviously adjusts some of the expectations based on whether there is a conservation area and so on, assuming a lot less intensification can happen, or it can happen at a much slower rate, rather, in conservation areas, even if they are near to a Tube station, and so on.

Broadly speaking, it works out what the observable trends are at the moment and have been in recent years in terms of small sites, takes the London Plan assumption of a presumption in favour, and a well-designed, high-density development on the sites.

**Leonie Cooper AM:** I will come back to the presumption in favour in a minute, but how confident are you that almost 40% of the 65,000 being delivered on these smaller sites is achievable? I mean that in terms of both the acceptance by local people issue, which I have raised before, acceptance by local politicians of that densification or intensification, but also in terms of the burden on things like drainage and water supply. It looks as though Cape Town is going to literally run out of water very soon, and the Environment Committee are just about to hear from Thames Water on its 80-year plan for supply and demand. That is just choosing water. You have covered off the transport issue. That is leaving aside a whole range of other infrastructure issues. Is it achievable in terms of getting buy-in from politicians and local people, and also in terms of the physical requirements for intensification on these sites that are mainly going to be infill and quite surrounded already?

**James Murray (Deputy Mayor for Housing and Residential Development):** It is right to identify the fact that we had to make a case to Londoners about why this is important for meeting the needs of Londoners now and of the future to build new housing, because it does mean that areas where historically you might not have seen as much building will see more in the coming years, so there is going to be a real emphasis on building more housing. You are right to identify the importance of bringing Londoners with you.

One really important thing for me is around the emphasis on good design around what higher-density housing can look like. People want the confidence that if they are going to see new homes built, particularly in their local neighbourhoods, the design is going to be appropriate for the local area, that it is going to be well designed and so on. There is a real emphasis in the draft London Plan on trying to encourage boroughs to set out principles of good design, so design guides for what smaller housing developments should look like to ensure that good design is really locked in as far as possible to these developments coming forward.

There is a slight point - I do not want to imply the answers your question in its entirety - around the fact that there are people living in London already who might be living in overcrowding or not having a home which is suitable for their needs. Building the new housing, you do not necessarily always bring up the space for new people to move to London. They might be in London already, just not living in the right sort of housing, whereas this way they can get a decent home and, by virtue of planning permission being granted, there will be a Section 106 requirement associated with it and so on to make a contribution to the local area. It is not necessarily a binary in terms of new housing meaning that there are more people living in the local area, because sometimes there can be people living there, just living in overcrowding or in unsuitable housing, moving somewhere more suited to their needs, and then getting the benefits of development in terms of Section 106 and so on. I will agree with you that --

**Leonie Cooper AM:** Perhaps my vision of this is slightly coloured by some issues that we have had around this in Wandsworth, where a lot of people live in overcrowded conditions on one side of the road and then the blocks of luxury flats built on the other side are literally beyond them because they are on the other side of the road, but of course they cannot possibly afford the price tag associated with the luxury flats, many of which are then dark blocks and nobody actually moves into them. That has really been quite offensive to local people, and it is not just a Wandsworth issue. That has been an issue more widely across the whole of London, and it is one in fact that the Mayor himself commented on. It is really important that we make sure that we carry local people and we do not create more blocks that people just buy holiday flats in. That is absolutely essential.

Can I ask you, then, to come back to the presumption in favour? How helpful is that presumption in favour, and whom is it most helpful to?

**James Murray (Deputy Mayor for Housing and Residential Development):** The presumption in favour is a really important part of the policy in terms of giving greater encouragement to development of small sites. Part of the reason why it is important to have that shift is to give small and medium builders greater confidence around building developments. When you talk to small and medium builders, some of the issues which come up frequently are around access to sites, access to finance, and planning risk. If you are a very small builder and you buy a site with which there is a lot of planning risk associated, you are in quite a precarious position and might shy away from it if there is a huge amount of planning risk associated with that development going forward.

If there is a shift within planning policy through this presumption in favour to decrease the risk of buying that site and then going into planning permission, we hope it will encourage more small and medium builders to get involved in bringing forward these sites. Certainly, from industry feedback from small and medium builders, they have welcomed the greater certainty this gives them.

**Leonie Cooper AM:** I think that would be very welcome because it is certainly something that we have identified in this Committee, and I know that Andrew [Boff AM] and I have raised this over the development of some of the TfL sites, the necessity for giving that assistance to the small and medium enterprises (SMEs) in the building sector. I was glad to hear that some of the boroughs were referring to the need to meet the skills shortage because, as you start to bring forward those sites and perhaps the SMEs might grow from being small to medium building companies, they need the skilled staff to be able to develop those sites out.

Will you have a specific target for how well you are doing on developing out the small sites, and how will that be monitored? Will we be able to see reports here to see how many of the 988 to 1,000 - or possibly slightly more, depending on how small they are - are being developed and when? You are talking about them being valuable because we can also do them at an early stage, and so we would be very keen to see that they are starting to move.

**James Murray (Deputy Mayor for Housing and Residential Development):** In the draft Plan it sets out, as you say, the specific targets for small sites, and that is the first time that small site delivery has been identified separately from the aggregate number. That shows the emphasis we are putting on it. Sorry, was the question around bringing forward the sites or the builders?

**Leonie Cooper AM:** When and how we are going to review progress towards meeting the targets is really the most important issue here.

**James Murray (Deputy Mayor for Housing and Residential Development):** Sorry, yes. The Annual Monitoring Report, which monitors the implementation of the London Plan, will follow up on the targets set out in the London Plan, and so we will be able to see it in that context.

**Leonie Cooper AM:** We understand that you are working with the boroughs. Some may embrace the targets more than others; some horses may need to be taken to the water-trough and some may indeed need to have their heads shoved into the water. There will be a kind of dance towards meeting the targets. Should you find the horses unwilling to drink from the water, what remedies are you going to apply if the boroughs are really falling short around seeing these smaller sites developed out?

**James Murray (Deputy Mayor for Housing and Residential Development):** If we just focus rather than going to general conformity, can I just talk about the small sites in particular? I will just get the text so that I



can refer to it precisely. In terms of the small sites where it talks about the presumption in favour it suggests that local boroughs should, here in H2.E, it says:

*“... the presumption in favour ... means approving small housing developments which are in accordance with a design code developed in accordance with part B.”*

It basically says the borough has developed a design code and, if you have that design code, that then means that applications for small sites will have to be approved if they are in accordance with that design code.

*“Where there is no such design code, the presumption means approving small housing development unless it can be demonstrated that the development would give rise to an unacceptable level of harm to residential privacy [and so on].”*

There is a baseline protection there in terms of blocking developments where they impact on privacy and so on. For boroughs to have a greater degree of influence over what is developed, a design code means that they can then judge an application against that design code. There is an incentive in the system there for boroughs to proactively develop design codes about what might be acceptable or not in terms of small site development because they would then be able to judge an application whether it accords with that design code.

**Leonie Cooper AM:** Supposing they have their design codes sorted out and you still feel that they are dragging their feet, is there any remedy that you can apply to make them move things forward?

**James Murray (Deputy Mayor for Housing and Residential Development):** Boroughs will develop their LocalPlans in due course, and conformity between the London Plan and local plans is part of the plan-setting process, so it will influence individual boroughs in that way, as well as, clearly, there is the appeals process, which applicants are always open to go down that route.

**Leonie Cooper AM:** It is just a concern because you are talking about almost 40% of the delivery coming through this route. Where the Mayor has a much stronger role in planning applications that are more than 30 metres high or have more than 150 units, you are relying on the boroughs much more strongly here.

**James Murray (Deputy Mayor for Housing and Residential Development):** We want to do everything in partnership with the boroughs. The presumption in favour is a different approach for the small sites than the larger sites, because on the larger sites, as you rightly say, the Mayor can have a direct influence over the planning response to individual applications, so he has that way of getting involved. On the smaller sites, you are right; we are never going to get involved in the very small sites in that way, which is why the presumption in favour is a really important way in which the Mayor, through the London Plan, can shift the focus and try to arrive at a new normal situation for this.

**Leonie Cooper AM:** That is effectively the main lever to bring them forward. What about the decision to encourage the application of Section 106 payments to sites delivering under 10 homes? Why have you decided to do that?

**James Murray (Deputy Mayor for Housing and Residential Development):** That basically reflects the fact that, at the moment, the policy for onsite affordable housing tends to apply to schemes with more than 10 units, but we recognise the fact that the smaller sites are going to make a big contribution towards housing delivery generally in London. We want to make sure that, where possible, they are making a contribution to affordable housing as well. It might work better in some boroughs than others, but we want to make sure we

are supporting boroughs where they are capturing some of that benefit from the smaller schemes for affordable housing in the borough more broadly.

**Leonie Cooper AM:** Do you think there might be a problem for the smaller builders in terms of the section 106 payments coming in as a disincentive? We have talked about incentivise, the presumption in favour, and trying to smooth the process of bringing the smaller sites forward. Do you not think the Section 106 might act as a bit of a break on some of their ambitions? They are operating on a slimmer margin, so that might not be something that they would like.

**James Murray (Deputy Mayor for Housing and Residential Development):** It would always be up to a borough to consider its policy around this in terms of its viability more generally when they are introducing the policy, and then, by exception, on the individual schemes.

**Leonie Cooper AM:** There can be an exception?

**James Murray (Deputy Mayor for Housing and Residential Development):** It is up to boroughs to apply it in the way that they want on viability grounds, but, again, that would come down to viability in that situation, which people would want to avoid if possible, but there is always the viability route if it really is undeliverable.

**Leonie Cooper AM:** It is something that the borough will make a decision, and so could support the small builder by not requiring that wider capture in the way that we have just described for the Section 106?

**James Murray (Deputy Mayor for Housing and Residential Development):** Sorry, could you say that one more time?

**Leonie Cooper AM:** The Section 106 additional payment could be removed if the borough considers that it compromises the viability and would stop the scheme coming forward, but we then do not get that wider capture.

**James Murray (Deputy Mayor for Housing and Residential Development):** The viability route is always open to applicants to make that case. I was not saying specifically viability applies here more than elsewhere. It is simply that viability is a route open to all applicants. There are other things which boroughs can do to support small builders. For instance, the phasing of the payments, so making sure that you do not have to pay that contribution to affordable housing upfront. You can pay it later down the line, nearer completion or so on, so that you do not have the cash flow issues. There are other ways in which boroughs can support small and medium builders. Indeed, the Mayor in his Community Infrastructure Levy (CIL) charging schedule did that for some of the small- and medium-sized builders to reflect the fact that cash flow is an issue. There are ways that you can mitigate viability concerns.

**Leonie Cooper AM:** Thank you.

**Sian Berry AM (Chair):** Tom, you had a follow-up question.

**Tom Copley AM:** Yes. On the presumption in favour, we talked to the Planning Committee yesterday. The difference between the approach here, a policy-based approach, and the regulatory-based approach that they might use in some European countries, where you are ticking the boxes and that is it, you are through. Is that basically if you meet the design code, that is it, you have planning permission?

**James Murray (Deputy Mayor for Housing and Residential Development):** Using that analogy is probably going too far. It is not entirely the model you have in some other countries where it is very regulatory and there is no discretion, but it is shifting the balance a bit toward presumption in favour. It is shifting the balance toward saying, “Unless there is a reason to reject this, we anticipate it being approved”. The baseline of the London Plan is impacts on privacy and so on, but, to give greater protection for a local area, if boroughs can introduce design codes, that then means that planning applications can be judged against them as well and then be considered on that basis whether to accept or reject them. It is still discretionary. I do not want to give the impression this is moving to an entirely formulaic system - that is probably going too far - but it is certainly saying, within the element of discretion that exists within the planning system in London, it is shifting it toward, as I say, a presumption in favour.

**Nicky Gavron AM:** James, it was on Leonie’s [Cooper AM] question about delivery. Are you considering any incentivisation of - ‘pooling’ might not be the right word - aggregating some of these small sites so that they become more appealing, maybe? Would that work?

**James Murray (Deputy Mayor for Housing and Residential Development):** That is a really interesting question because we were talking a bit earlier around what the barriers are to small and medium builders, and we are focusing here on planning and planning risks, but the other aspects which are essential as well are finance and access to land. In terms of land, the Mayor is developing a small sites programme which is to make it easier to bring forward small sites from the public sector, and that will be a way of bringing forward small sites for small builders to then develop out. The focus on land and around what small builders might like in terms of land is as important. Pooling sites through the planning system might be tricky to get a steer on through the London Plan, but using wider interventions in land is important to work out what might be more attractive to developers. If developers suggested that pooling sites might be attractive, that is something we could look at.

**Nicky Gavron AM:** It is something the offsite-manufactured homes sector has talked quite a lot about, but also it is something TfL is talking about, is it not? It is looking at, is it not, aggregating sites or pooling sites?

**James Murray (Deputy Mayor for Housing and Residential Development):** Yes, the small sites which the Mayor wants to pilot will be with TfL sites, and so that will be using some of its small sites and bringing them forward.

**Nicky Gavron AM:** If you pool, say you put seven sites together with 15 homes on some and so on, but in the end, you get quite a chunk of homes, you would be above the threshold, of course. Then you would get the affordable housing in, would you not, or could you?

**James Murray (Deputy Mayor for Housing and Residential Development):** Certainly, in terms of, for instance, the Mayor’s Small Sites [Small Builders] Programme, that is something which he is keen to look at, making sure we are getting decent levels of affordable housing, for instance, on the TfL sites coming forward, even if some of them are very small, maybe having a broader portfolio approach. In terms of strict planning rules, it could be up to an individual applicant to link two sites and to make a planning case on that basis. We have seen situations where you have different planning applications for sites but the applicant asks them to be considered together, so, in a way, that option does exist to applicants already to join sites in their consideration. I am not sure. I might ask for some advice on this one, whether it would be possible to formally put that in, but I suspect it would be up to the applicant whether they wanted to join them or not.

**James Clark (Senior Manager - Housing Strategy, Greater London Authority):** Yes, that is the case. The encouragement of affordable housing on sites of ten and fewer implicitly assumes we would be able to deliver that funding on other small sites in some ways, so you get that wider benefit by making the policy more enabling and seeing more of these sites come forward, and also getting more CIL and things like that, and so it has a cumulative benefit in its own right. Yes, to echo what James said you could very well see sites pooled together and linked, and you get economies of scale benefits and design continuity and benefits like that locally as well. That is all enabled by the policy and is certainly something we would like to see happen.

**Nicky Gavron AM:** Yes. I know you are not having a policy on downsizing from private homes, but we know there are 800,000 homes with two or more bedrooms empty in London. I am just wondering. I can see people downsizing in their own communities, and the small sites policy gives an opportunity for that, but people who do not want to move out of their community and would downsize from these larger homes. Anyway, it is just a thought.

**Andrew Russell (Senior Manager - Housing Strategy, Greater London Authority):** That is certainly what has informed our thinking on the policy.

**Nicky Gavron AM:** On the policy of presumption in favour of small sites?

**Andrew Russell (Senior Manager - Housing Strategy, Greater London Authority):** Yes.

**Nicky Gavron AM:** You have not included --

**Andrew Russell (Senior Manager - Housing Strategy, Greater London Authority):** It is not explicitly included in the policy because there is a limit. It is not about mandating to people what they should do, but it is about enabling that to happen. In a way, we would see more downsizing through this policy, potentially.

**Nicky Gavron AM:** Would that work for Havering, then? Can you imagine small sites being in places where people in the larger family houses in Havering could downsize to?

**Steve Moore (Director of Neighbourhoods, London Borough of Havering):** Possibly. It is 68% of our total build programme or total target at London boroughs that is small sites. It is not 30% or 40% either, so this is a particular issue for us. That is certainly something we could factor in. I have a range of things I would like to say, but I will stop there now. It is fine.

**Sian Berry AM (Chair):** Great. We have 10 minutes left for the entire rest of the Committee and we have a whole other question to come, but we do have follow-ups and we need to hear from the boroughs on this issue. Can we hear first of all from the boroughs on the small sites questions and how you feel about it?

**Steve Moore (Director of Neighbourhoods, London Borough of Havering):** Sure. Thank you, Chair. The quantity or the aspiration of what we could develop on small sites, politically, locally in Havering, has gone down with concern. Members are trying to understand how that is going to work and how to protect the characteristics of the borough. It is an outer London borough, and that is one of the things that the Leader of the Council [Councillor Roger Ramsay] has said on numerous occasions: it is about protecting the place, so it is encouraging protection of design.

**Sian Berry AM (Chair):** Are you not encouraged by the design codes and the area strategies you are being asked to produce?

**Steve Moore (Director of Neighbourhoods, London Borough of Havering):** Absolutely. There are a lot of unknowns around this. There is the whole thing about what this actually means in reality, and really working up the protections locally and trying to make sure that that is articulated in a way so that people understand it. Certainly, local members will default originally to a position of pessimism in relation to something like that. Again, it is just working that through.

Technically, it is trying to understand the business case of how that works. The economies of scale question was an interesting one in relation to the affordability of developers to be able to build out on a small scale. If it is not pooled on aggregate of sites, is that going to affect the deliverability of affordable housing? I do not know. That fragmented approach potentially could see a loss of total placemaking and shaping and the ability to negotiate more opportunity for infrastructure investment because it is too fragmented. Strategically, I am not clear about, in reality -- if it was 10%, the target, we would say, "We will work with that, we will chug along with it and see where we are", but it is the majority. I am not quite sure how something so significant is going to work in practice, where we probably do have a better handle on large site development and how we can maximise the benefits from these going forward. There are lots of question marks.

**Sian Berry AM (Chair):** It is a whole new policy. Tower Hamlets, how about you?

**Mark Baigent (Interim Divisional Director of Housing, London Borough of Tower Hamlets):** We welcome this and we have similar concerns about deliverability. There is a particular issue just in terms of the local planning authority processing all of this. If you have a planning officer and there is a large site, one person can, in effect, produce a lot of homes, and if you could give that person then a whole load of small sites, albeit with the presumption here that it should be less work, but there is that issue about the capacity of the system. Then, as I said earlier, there is the issue about the capacity of the industry to build it.

One of the things we are working on at the moment which I think fits with this is around the self-build model. Where we have small sites in council ownership, we have started a self-build register. We have a lot of very interested people and we are looking at supporting them to deliver on small sites, which we think is just another way of making sure there is more capacity for people to do this.

**Sian Berry AM (Chair):** One of the questions that does come up is about public acceptance, and we discussed that quite a bit at the Planning Committee yesterday. One thing I want to ask about is the way that the design section and the housing section of the policy do not seem to quite match on this. When residents are looking for reassurance that they will be able to influence how different small sites are being developed, the worry - what did you say - and the 'default to pessimism' that people have when you hear that the small sites are up for grabs, and, "It is all going to be very tall", and people want some reassurance they will have some influence. Policy H2, which is in the housing section, calls for area-wide design codes, and it says how additional housing can be accommodated in different locations. The word there is not, "On each small site". It is, "In different locations".

Then, within the design policies, we have the request for area-based strategies, looking at the capacity for growth and how many homes you could fit in, and the different housing types and typologies and things like that, but there it does not mention assigning a typology to an individual small site. You can see how, combined with the push for density, people might assume plans are going to come forward for these small sites near stations that have more density than people are comfortable with, and people want to know that they can say, "This is fine, as long as it is these typologies that we want". The area-based strategies in D2 are subject to more - as far as I can tell - consultation than the design codes in H2. I do not know if these two things need

to be matched up better and have one set of, "Here is how we will consult about the amount, the type, the design of these small sites in your area", to reassure people.

**James Murray (Deputy Mayor for Housing and Residential Development):** It is possible to get a partial answer to your question, which is that the expectation of the design codes is to be led by boroughs. That is clearly a borough responsibility to lead on that. Obviously, we will support however we can, but the idea is that boroughs do something which is appropriate for their area. What the GLA is going to be doing this year is developing Supplementary Planning Guidance around housing design, and clearly an important part of that will be how, in the 21st century, you could build at high densities in an appropriate way that people think is appropriate for their area. That would include a lot of the issues around optimising density on bigger sites as well as smaller sites, but I would see that as being slightly broader than the design codes, which would be led by boroughs.

**Sian Berry AM (Chair):** Yes. The question is, when you are asking for it to be applied to particular sites in a particular area, the area-wide things, which are an area-wide design code and an area-based strategy, those two things seem to be where residents can get in and influence what happens on their particular small sites, but it is just not completely clear what the process is for that. I know it is up to boroughs, but the expectations of boroughs in terms of public engagement ought to be perhaps clearer here.

**James Clark (Senior Manager- Housing Strategy):** It is probably worth also stressing that the plans should be read as a whole. Just because we have not repeated the design policies under the housing policies, it does not mean they do not apply, and we sought to keep the London Plan within 600 pages. It would have been a lot longer if we had repeated ourselves. Also, we have already started talking to boroughs about how we can support them on design codes, and if what boroughs are saying is, "We need support through Supplementary Planning Guidance specifically on the issue of design codes and how they should be developed", then we are more than happy to consider that, and that is something we are aiming to do.

**Sian Berry AM (Chair):** This is what is in D2: area-wide strategies to determine the capacity of the sites in that area. That is what worries people most, not so much the colour of the bricks and things. How many homes will be fitted in?

**Nicky Gavron AM:** How can a borough like Havering or Tower Hamlets know what the capacity is, when some of it can come from conversions? In fact, conversions are counted as part of your small sites target.

**Sian Berry AM (Chair):** Yes. It is a lot of work for boroughs to do.

**Nicky Gavron AM:** I do not know how you deal with capacity when it is a bit of an unknown quantity what is going to come forward in conversions. Could somebody answer that?

**Martyn Thomas (Development and Transport Planning Manager, London Borough of Havering):** It goes back down to the really high importance of design codes to get the quality that we want out of these schemes. I was just saying to Steve, hopefully quietly, there is a real issue in places like outer London about how these schemes are delivered and the implementation of them. In inner and central London, everybody is well used to schemes being fitted in, from a construction point of view, into tricky, difficult-to-develop sites. In outer London, that is still quite novel to us, and there will be scope for getting some sort of accreditation scheme, if you like, for smaller developers and smaller builders who have a good track record of delivering these high-pressure schemes where they are surrounded by back garden land or residential properties or commercial properties. If you begin to put all the pieces of the jigsaw together, the design codes and the

accreditation to reliable developers rather than somebody who just fancies developing a small site, then you begin to have the tools to work towards the aspiration that the Mayor has for the numbers involved.

**Sian Berry AM (Chair):** Thank you. We are really running out of time, but we do have --

**Nicky Gavron AM:** Deal with conversions.

**Sian Berry AM (Chair):** We are really running out of time. We are going to have to --

**Nicky Gavron AM:** It is a big issue.

**Sian Berry AM (Chair):** Can we ask a very quick question from Tom about a couple of particular groups that we are a bit worried about?

**Tom Copley AM:** Yes. How does the planning cater for the needs of specialist groups like Gypsies, Travellers, students and people who require supported accommodation?

**James Murray (Deputy Mayor for Housing and Residential Development):** Yes. There are specific sections set out in the London Plan around that, and I will particularly start with Gypsy and Traveller accommodation.

It suggests that boroughs should plan to meet the identified need for pitches. Part of the way that we approach the policy around gypsy and traveller needs in the draft London Plan and in the draft Housing Strategy is we have set out for it to be an improvement on what we inherited in terms of working out what their needs are and in terms of working out what the definition is of people from that community to make sure that people are not excluded because they are not currently living in that lifestyle. They might be living in a bricks-and-mortar building, but that is not out of choice; that is because they have been forced to by circumstance. The definition of who counts as a member of that community is being expanded, and we developed that in consultation with representatives from the community as well as saying the boroughs should identify what the need is in their local areas. There is a stronger approach there for Gypsy and Traveller pitches.

Clearly, the provision is well short of the need, and so there is an ability for boroughs to apply for affordable housing funding as well to support some of those developments, but it is something where the need is not met by the supply at the moment.

**Tom Copley AM:** Absolutely, and I am really pleased that this expanded definition has been adopted because it has been eroded over the last few years by the Government changing the definition and reducing responsibilities in local authorities to provide for the accommodation needs of gypsies and travellers. That is really important. How that then is translated into boroughs, for example, applying for funding from the Affordable Homes Programme is a different question and probably not for this meeting, but this takes us in a very good direction.

I want to just ask quickly about student accommodation because I know we are running out of time. This for the first time sets a provision for a percentage of affordable student accommodation, which was not in there before, the 35%. In the supporting text it talks about the definition of 'affordable' being determined by the work of the Mayor's Academic Forum. Could you talk a bit about that? Is this the public definition of what counts as affordable student accommodation?

**James Murray (Deputy Mayor for Housing and Residential Development):** I might ask Elliot to jump in on that with some of the details.

**Elliot Kemp (Principal Strategic Planner, Greater London Authority):** Sure. The Academic Forum has existed for a number of years. All its papers are on the website, so you can see we had discussions over a number of months with them - which includes the National Union of Students (NUS), universities, boroughs - about how we should come up with establishing what is student income, because it is very difficult to define. It is unlike other people living in London. Then, what proportion of their income should be spent on accommodation? We are only talking about purpose-built student accommodation. We are not talking about rent in private housing. Unlike that, in purpose-built student accommodation, you have often either amenities or services provided, and so it is considering all those factors to come up with this definition.

**Tom Copley AM:** More of a co-living situation.

**Elliot Kemp (Principal Strategic Planner, Greater London Authority):** Yes.

**Tom Copley AM:** I was going to come on to nomination rights. Who would determine who would get the affordable student accommodation? How is that determined?

**Elliot Kemp (Principal Strategic Planner, Greater London Authority):** The way we set it out is that the new accommodation has to have a link to a university, and it would be the responsibility of the university to identify need among its student cohort and then allocate the rooms appropriately. The university would be the people that know most about who is in need, and so it is for them to allocate it.

**Tom Copley AM:** OK, thank you. Given the time, I will leave it there.

**Sian Berry AM (Chair):** Yes. Just one final quick thing about the student accommodation. Section 4.17.7 sets out that the current definition is 55% of the maximum income that a new full-time student could receive from the Government's Maintenance Loan. That seems like a high number except that it seems not to include any money they might make from working. Is that why it is such a high number? There is no assumption there that they might work?

**Elliot Kemp (Principal Strategic Planner, Greater London Authority):** Yes. We were looking for a way to figure out what would be a student income. There are lots of different studies on this. Excluding people's money over the summertime and vacation period was something we worked quite closely with the NUS about. This is almost a proxy for all students about what they could get, so maybe you do not get the full Maintenance Loan, but you do some work and it tops it up to that level, but it is saying every student who is from outside London could get that money.

**Sian Berry AM (Chair):** The NUS is happy with this definition at the moment?

**Elliot Kemp (Principal Strategic Planner, Greater London Authority):** Yes.

**Sian Berry AM (Chair):** However, it is under review. That is why it is not written into the policy.

**Elliot Kemp (Principal Strategic Planner, Greater London Authority):** It is not under review. It means that because the Maintenance Loan changes every year --



**Sian Berry AM (Chair):** Yes, and so the Government policy --

**Elliot Kemp (Principal Strategic Planner, Greater London Authority):** It will change if the Government changes it.

**Sian Berry AM (Chair):** Yes. Great. That is it. Thank you very much to the guests for your contributions. Thanks to everyone for waiting.

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