

Shelter's response to the Mayor of London's –

The London Plan: Consultation on draft replacement plan

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Shelter

Shelter is a national campaigning charity that provides practical advice, support and innovative services to over 170,000 homeless or badly housed people a year. This work gives us direct experience of the various problems caused by the shortage of affordable housing across all tenures. Our services include:

- A national network of over 20 advice centres
- Shelter's free advice helpline which runs from 8am-8pm
- Shelter's website which provides advice online
- The Government-funded National Homelessness Advice Service, which provides specialist housing advice, training, consultancy, referral and information to other voluntary agencies, such as Citizens Advice Bureaux and members of Advice UK, which are approached by people seeking housing advice
- A number of specialist projects promoting innovative solutions to particular homelessness and housing problems. These include housing support services, which work with formerly homeless families, and the Shelter Inclusion Project, which works with families, couples and single people who are alleged to have been involved in anti-social behaviour. The aim of these services is to sustain tenancies and ensure people live successfully in the community.
- A number of children's services aimed at preventing child and youth homelessness and mitigating the impacts on children and young people experiencing housing problems. These include pilot support projects, peer education services and specialist training and consultancy aimed at children's service practitioners.
- We also campaign for new laws and policies - as well as more investment - to improve the lives of homeless and badly housed people, now and in the future.

In London, our services include:

- A free pan-London telephone advice line which offers a full case work service
- Housing advice outreach surgeries across nine London boroughs targeted at the private rented sector, older people and black and minority ethnic groups
- The Keys to the Future project which works with school age homeless children living in temporary accommodation in Newham. The team's qualified teachers and learning mentors work with children to improve their educational attainment and self-esteem
- A Children's Telephone Advice Line available across London providing free, confidential and independent housing advice to Children's Centre staff working with families with housing issues or problems. This service aims to ensure that any housing problems identified can be addressed as quickly and effectively as possible.

Introduction

Everyday, through the services we provide, Shelter sees the acute end of the housing crisis in London. We work to help thousands of people who, even if they are in work, struggle to make ends meet or find affordable housing in a city that still has so much deprivation despite its national and international economic success.

The statistics below show the extreme difficulties of finding and providing suitable, affordable housing in London:

- Over 330,000 children live in overcrowded accommodation¹
- More than 354,000 households are on local authorities' housing waiting lists² and over 43,000 households in temporary accommodation³
- In 2008/09, 12,780 households were accepted as homeless. London has the highest proportion of homeless households in the country⁴
- On average, Londoners spend 42% of their household income on housing⁵
- The average London house price in 2009 was £352,355, nearly 13 times the average (median) income of £27,308⁶
- Twenty one percent of Londoners live in the private rented sector, compared to the national average of nearly 14 per cent.⁷

The London Plan provides the Mayor of London with the opportunity to set a clear vision for how all Londoners will be supported to contribute to, and benefit from, the social and economic success of London. Housing has a central role to play in helping to achieve this.

We are pleased that the revised London Plan focuses on the need to increase housing supply in London across all tenures, but particularly its emphasis on providing new affordable homes in mixed, balanced communities. Safe, secure and high quality homes support not just the individuals who live in them, they create and sustain communities, connect people to social and economic opportunities and are central to ensuring London's prosperity is passed on to all of its residents. The revised Plan also clearly makes the connection between high quality housing, life chances and addressing health inequalities, which Shelter is particularly pleased to see.

¹ CLG, Survey of English Housing.

² CLG, Housing Strategy Statistical Index.

³ CLG, Homelessness Statistics 2009.

⁴ CLG, Housing Statistics Live Tables.

⁵ Shelter YouGov survey, October 2009.

⁶ Land Registry Data and the 2008 Annual Survey of Hours and Earnings.

⁷ CLG, *Housing in England 2007/08*, September 2009.

All of the policies outlined in the revised London Plan will be critical to realising the Mayor's vision of London being the 'best big city on earth'; however, given Shelter's areas of expertise this response is confined to those aspects of the Plan that relate directly to housing policy.

Summary of recommendations

- In order to address London's current and projected levels of housing need, the Plan must make provision to increase housing supply throughout its lifetime so that output in the later stages of the Plan period is greater than, and makes up for, any shortfalls over the next few years due to the economic downturn. We would like to see the Plan make provision for a regular review of supply targets (including affordable housing targets), and for these targets to be increased where local need and delivery capacity indicate that this is necessary and viable.
- The London Plan should outline the level and type of support that boroughs might expect to receive from bodies such as the GLA and the Homes and Communities Agency to assist them in achieving the targets they have been set.
- Shelter supports the density policy in the London Plan, particularly the principle that the density matrix should not be applied mechanistically. We are extremely supportive of the inclusion of minimum space standards for all new residential development.
- We would like to see the provisions in the Plan relating to play and recreation facilities make explicit reference to the Mayor's Supplementary Planning Guidance, 'Providing for Children and Young People's play and informal recreation', which sets out a benchmark standard of a minimum of 10 square metres of dedicated playspace per child.
- We welcome the London Plan's requirement for development frameworks to be put in place, in consultation with the local community, for large residential developments. We would also like to see the Plan require the borough/s and developer/s responsible for such developments to demonstrate how jobs, at a range of skill and income levels, will be created within the new development areas.
- The London Plan should set out how the housing provided by London's private rented sector (PRS) can be improved. This should include requiring boroughs to tackle overcrowding in the PRS and policies to drive up standards in the sector, such as the use of accreditation schemes.
- The London Plan needs to provide additional detail on how the Mayor will work with boroughs to incentivise them to set ambitious affordable housing targets and deliver to, and above, these targets over the lifetime of the Plan; as well as how investment will be targeted to support these ambitions.

- We would like to see the London Plan make provision to enable boroughs to adjust the proposed affordable housing tenure split in favour of social rented housing where local need, and delivery capacity, indicates that this is necessary and viable.
- A target for homes with four or more bedrooms in the social rented sector should be included in the London Plan to mitigate the risk that boroughs will meet the family sized homes targets by oversupplying 3 bedroom homes.
- The Mayor should require boroughs to express their affordable housing targets in the same way (either all as a percentage or an absolute number) so that all targets, and housing output, can be compared consistently.

Response to key housing related policies in the revised London Plan

Policy 3.3 Increasing Housing Supply

Positive commitments to increasing housing supply

We welcome the increase in the level of housing supply targeted, from the minimum target of 30,500 additional homes per year in the current Plan, to an annual average of 33,400 additional homes across London per year in the replacement Plan. We are also encouraged by the Plan's explicit reference that boroughs should treat their individual targets as a minimum, and endeavour to exceed them.

Balancing need and deliverability

Despite wide acceptance of the devastating levels of housing need in London, there are varying estimates of the number of new homes required to address this need and meet future demand. The supply target in the revised London Plan, which is based on the GLA's 2008 Strategic Housing Market Assessment (SHMA), is at the bottom of the National Housing and Planning Advice Unit's (NHPAU) supply range forecasts. NHPAU and Shelter's estimates put the number of additional homes needed per annum at between 33,100 to 44,700 and 36,000 respectively.⁸

We appreciate that in determining the number of new homes in London it is critical to assess the viability of desired targets against the number of homes that can actually be delivered. Issues from land availability to access to development finance, alongside decisions around the quality and mix of housing that is wanted and overall management of

⁸ The NHPAU figures are referenced in Appendix three of the GLA's 'London Strategic Housing Land Availability Assessment and Housing Capacity Study 2009', October 2009, and Shelter's figures are from 'Homes for the future', November 2008.

the public realm, clearly need to be factored in alongside housing demand and household growth.

Balancing the need for significant numbers of new, especially affordable homes, against the extreme difficulties around housing delivery is likely to be challenging over the next few years. Shelter is very mindful that a reduction in public and private funding for housing delivery will make maintaining, let alone increasing, housing supply extremely difficult. However, we believe that in order to address London's current and projected levels of housing need, the Plan must make provision to increase housing supply throughout its lifetime so that output in the later stages of the Plan period is greater than, and makes up for, any shortfalls over the next few years due to the economic downturn.

The Mayor's commitment to monitoring and reviewing supply targets will be critical to enabling this to happen. In addition to the proposed measures around monitoring and review, we would like to see the Plan make provision for a regular review of supply targets (commencing earlier than the proposed 2015/16 review date), particularly if monitoring identifies any marked reductions in housing delivery patterns. Further, the London Plan should also spell out how boroughs will be held to account should they not meet their targets.

Ensuring London wide development

While certain areas of London have little ability to significantly increase their housing capacity in terms of volume, for example the City of London, it is essential that all boroughs make a contribution to the supply of new housing. Londoners must be able to access affordable accommodation in all areas so that they are able to be close to family and employment, and in order to support the economic and social success of the city.

Several boroughs, such as Tower Hamlets, Southwark and Barnet, are expected to deliver huge numbers of new homes between 2011 – 2021. Given this responsibility it is essential that the GLA and other relevant bodies such as the LDA and the Homes and Communities Agency, adequately support these boroughs to deliver on their supply targets, for example through assisting with land assembly. The London Plan should outline the level and type of support that boroughs might expect to receive from these bodies.

Policy 3.4 Optimising housing potential

Policy 3.5 Quality and design of housing developments

Shelter supports the density policy in the London Plan, particularly the principle that the density matrix should not be applied mechanistically. We are extremely supportive of the inclusion of minimum space standards for all new residential development.

London needs to be creative in how it uses development densities and design to build homes and communities that create environments which enable individuals and communities to thrive. It is vital that newly-built dwellings meet the living needs of the households for which they are designed. For example, all new dwellings should have enough space for the occupants to sit at a table together to eat meals; entertain friends and family; store their belongings; and accommodate equipment now seen as essential to modern life, such as a television, computer, and washing-machine.

The minimum standards set out in the revised London Plan are not as generous as those currently applied by the Homes and Communities Agency for homes developed with social housing grant.⁹ While we would like to see the standards that apply for social housing also apply for other tenures, the proposed minimum space standards for London are a positive step towards such a standard. We also appreciate that the standards set out in the London Plan take a different approach in that they are based not only on the number of bedrooms and occupants but also the type of dwelling.

We look forward to having the opportunity to comment further on the Mayor's policy on housing quality and design during consultation on the planned new Housing Supplementary Planning Guidance (SPG).

Policy 3.6 Children and young people's play and informal recreation facilities

Space for children and young people to play is an essential element of social infrastructure and promotes community cohesion. The London Plan's commitment for all children and young people to have access to high quality, well designed play and recreation space is welcomed. We particularly support the requirement that new residential development makes provision for play and recreation facilities and that these should normally be provided on site.

⁹ With the exception of the standard applied to two storey houses with four bedrooms and six people and three storey houses with four bedrooms and six people.

The revised plan makes reference to the Mayor's Supplementary Planning Guidance, 'Providing for Children and Young People's play and informal recreation' which sets out a benchmark standard of a minimum of 10 square metres of dedicated playspace per child. We would like to see explicit reference to this standard in the London Plan.

Policy 3.7 Large residential developments

We welcome the London Plan's requirement for development frameworks to be put in place, in consultation with the local community, for large residential developments, especially those over 500 units where there is a specific focus on social and physical infrastructure planning.

Shelter's own research on three developments in the Thames Gateway looked at the challenges of building sustainable communities.¹⁰ Amongst other things, this research showed the importance of the provision of infrastructure (such as public transport) and services (such as shops and health care) on site from the time that residents first moved into the development. The research also highlighted the need for a systematic approach to gathering existing and future residents' views and for these views to be fed into the planning process for any new development.

In order to create mixed, sustainable communities, alongside appropriate local, social infrastructure, residents must be able to access suitable employment opportunities, either within their area or via regular, affordable transport links. Given employment and travel patterns in London many residents in large scale developments, particularly those outside central London, will have to travel outside of their area for employment. As a result, there is a significant risk of large scale developments becoming commuter communities, compromising the ability to create thriving places where people can and want to live and work.

To mitigate this risk we would like to see greater direction in the London Plan on the need to include planning for employment in development frameworks. Where large residential developments are being proposed, the borough/s and developer/s responsible must be required to demonstrate how jobs, at a range of skill and income levels, will be created and provide long term employment opportunities within the new development areas.

¹⁰ Shelter, *Neighbourhood Watch: Building new communities – learning lessons from the Thames Gateway*, 2008.

Policy 3.8 Housing choice

Shelter supports the London Plan's emphasis on ensuring that Londoners have genuine choice when it comes to their housing options, and agrees that this choice must provide people with access to housing that is affordable, well designed and appropriate to their circumstances at the different stages of their lives. We are particularly pleased to see the provision of affordable family housing as a strategic priority in LDFs, the commitment to lifetime home standards, and the emphasis on the need to make housing accessible to wheelchair users, students, and adaptable for those with support needs such as older and vulnerable people.

The PRS plays an important role in London's housing market. For many the PRS is the housing tenure of last resort when they are unable to access either home ownership or social housing. Shelter's London Services see the hardship faced by many tenants in the PRS on a daily basis. People on low incomes who struggle to pay their rent (even on housing benefit) often do not understand their rights or their landlord's responsibilities and for affordability reasons have limited choice about the quality, appropriateness or location of their home.

Improving the supply, quality and professionalism of private rented accommodation will be fundamental to ensuring that the PRS plays its part in addressing the desperate shortage of homes in London. We welcome the Mayor's pledge to work with the Homes and Communities Agency to increase investment in the PRS and to explore longer rental periods in this tenure.

In addition to these efforts, we believe that the London Plan must provide a lead on how the PRS in London should be better managed. This should include requiring boroughs to tackle overcrowding in the PRS and policies to drive up standards in the sector such as the use of accreditation schemes. The number of landlords who have joined accreditation schemes or professional associations is very low covering only a small proportion of the market. We are very supportive of the GLA's proposals in the draft London Housing Strategy to consider accreditation schemes as one of a package of policies aimed at driving up standards in the sector, and look forward to seeing how these are taken forward.

Policy 3.10 Mixed and balanced communities

Shelter agrees with the Mayor that there should be no segregation of London's population by housing tenure. However, we do not believe that social housing in and of itself has contributed to deprivation and worklessness. The residualisation of social housing due to

years of underinvestment and the loss of stock through the Right to Buy has meant that social housing is now only available to the most vulnerable and those in desperate housing need. It is right that the London Plan actively works to improve the volume and quality of housing in the London, most critically affordable housing, in order to address the prevalence of poverty and deprivation in London. A larger supply of social rented housing in London would open up this tenure to a wider range of households unable to afford to access market housing.

Shelter supports the London Plan's focus on the development of mixed communities. Given the scale of housing development during the lifetime of the London Plan, particularly in boroughs with high housing targets, careful consideration needs to be given to balancing housing need with the desire to develop mixed communities. While we acknowledge the need to build homes of all tenures and that the profile of housing need and demand can vary across boroughs, we would not want to see this policy result in an oversupply of intermediate or market homes in areas that have a greater need for social rented homes. Further, in existing communities we would not want to see a depletion of the overall affordable housing stock as a result of new development or regeneration schemes.

We entirely support the ambition that affordable housing is developed in areas where there is little currently, particularly if this enables Londoners to live in areas from which they may have previously been excluded due to the high cost of housing. This will be a critical element of reducing social polarisation in London, particularly if it provides housing near to employment opportunities.

Creating mixed, balanced and sustainable communities is not just about what type of housing is built in an area. It is also essential that new housing developments encourage 'neighbourliness' and provide opportunities for social interaction and appropriate social and physical infrastructure. Local shops, cafes, playgrounds, leisure and entertainment facilities should all be a short walk from every home, with other community, leisure and entertainment facilities within easy travelling distance.

We look forward to seeing how the Mayor's policy on mixed, balanced communities is outlined further in the forthcoming Housing SPG.

Affordable Housing

Policy 3.11 Definition of affordable housing

We support the definition of affordable housing in the London Plan.

We also recognise the need to increase the upper income range threshold for family sized intermediate homes to take account of the high costs of development and housing in

London. The intention of this policy should be to enable households, who would otherwise be unable to, to access an appropriately sized home at a price they can afford. We look forward to following the progress of this policy in the London Plan Monitoring Report.

Policy 3.12 Affordable housing targets

The proposed target

The proposed target of 13,200 affordable homes per annum is significantly less than the 18,200 per annum recommended in the SHMA. It will also be lower than the Mayor's commitment to deliver 50,000 affordable homes over the next three years, which equates to an annual average of around 16,666 new homes.

We appreciate that housing delivery may be constrained over the next few years due to the short to medium term impact of the downturn, and that this will affect the provision of affordable housing. Given this scenario, we would like to see affordable housing targets included in the review of supply targets proposed under policy 3.3. In line with our comments in policy 3.3 we would like this review to be undertaken regularly throughout the lifetime of the London Plan so that the opportunity can be taken to revise affordable housing targets upwards should delivery capacity improve.

The London Plan needs to provide additional detail on how the Mayor will work with the boroughs to incentivise them to set ambitious affordable housing targets and deliver to, and above, these targets over the lifetime of the Plan, and on how investment will be targeted to support these ambitions.

Affordable housing tenure split

The London SHMA's main scenario demonstrated that the affordable housing target for London should be heavily weighted towards the provision of social rented homes (80 per cent) over intermediate homes (20 per cent). In contrast, the London Plan, in line with the recently revised London Housing Strategy, proposes to split the affordable housing target so that 60 per cent is social rented housing and 40 per cent is intermediate housing.

We understand that in proposing this tenure split the Mayor has considered the uncertainty of future funding for affordable housing and the role that intermediate housing can play in helping to maximise the number of affordable homes delivered from limited public resources. However, we are concerned that the proposed tenure split for affordable housing risks undermining the London Plan's strong commitment to matching Londoners to appropriate housing choices. With lower affordable housing targets than

recommended in the SHMA, the proposed tenure split could result in a significant undersupply of social rented homes for those in the most acute housing need over the lifetime of the Plan.

Shelter appreciates that social rented housing requires more subsidy to develop than intermediate tenures, particularly in London and in the current economic climate, but development costs should not be the overriding consideration in determining which affordable tenures are developed. Instead, affordable housing development should be driven by the profile of housing need in a particular area. We would like to see the London Plan make provision to enable boroughs to adjust the proposed tenure split in favour of social rented housing where local need, and delivery capacity, indicates that this is necessary and viable.

Boroughs setting their own targets

As the revised London Plan proposes that boroughs should set their own affordable housing targets, Shelter believes that the Mayor must explicitly outline in the Plan how he will coordinate this process to ensure that he meets his overall target for London.

In addition, the London Plan must provide greater direction for boroughs about how they will be expected to formulate and implement their affordable housing targets. The discussion of the need for boroughs to consider viability when setting affordable housing targets is entirely appropriate, but the Plan also needs to outline how these assessments will be monitored and reviewed to ensure that borough targets are not set at inappropriate levels in comparison to housing need and delivery capacity.

We are particularly pleased to see the London Plan include provision of affordable family housing as a strategic priority in LDFs. The Strategic Housing Market Assessment (SHMA) for London identified a requirement for 40 per cent of social homes to have four or more bedrooms. Given this recommendation, and the number of overcrowded families in social housing in London, we would like to see a target for homes with four or more bedrooms in the social rented sector included in the London Plan to mitigate the risk that boroughs will meet the family sized homes target by oversupplying 3 bedroom homes.

Cross borough coordination of affordable housing targets

There is a potential contradiction between the Plan's stated intention that the Mayor will engage with individual boroughs on their affordable housing targets and the fact that development in London commonly crosses borough boundaries. We are pleased to see the Mayor's commitment (in paragraph 3.39) to working across boroughs to coordinate local, sub-regional and Londonwide SHMAs to ensure that sub-regional and strategic housing needs are accounted for when setting individual borough affordable housing

targets. We look forward to seeing how the Mayor will provide benchmarks in supplementary guidance to support boroughs to assess and meet local and strategic affordable housing needs.

Shelter does not agree that boroughs should be able to set their affordable housing targets in either absolute or percentage terms. We consider that the Mayor should require boroughs to express their targets in the same way (either all as a percentage or an absolute number) so that the Mayor is able to consistently compare borough targets and monitor delivery against these targets, and in order to facilitate better public accountability and transparency.

Policy 3.13 Negotiating affordable housing on individual private residential and mixed use schemes

Shelter supports the proposed guidance for negotiating affordable housing on individual developments. We are encouraged to see the emphasis on achieving the maximum level of affordable housing on developments and the need for developers to engage with affordable housing providers during the planning process.

Shelter strongly believes that to create balanced, mixed communities in all but the most exceptional circumstances affordable housing should be delivered in kind and on site, and we are glad to see this approach embedded in the London Plan. We also completely agree with the Plan's requirement for affordable housing to be integrated with the rest of the development and for it to have the same external appearance as other housing.

Policy 3.14 Affordable housing thresholds

Shelter agrees with the affordable housing thresholds in the revised Plan. We particularly support the direction to boroughs to seek lower thresholds through the LDF process to ensure that all developments make an equitable contribution to affordable housing delivery.

London's Housing Stock

Policy 3.15 Existing housing

Shelter supports the proposals in the London Plan relating to existing stock. We would emphasise the need to ensure that where existing stock is redeveloped that such projects do not reduce either the quality or level of affordable homes within a particular area.

Policy 3.16 Coordination of housing development and investment

Shelter welcomes the Mayor's commitment in the London Plan to work with boroughs and the Homes and Communities Agency to coordinate housing development and investment. The Mayor will have a crucial role in ensuring that public resources are used effectively to support housing delivery, particularly as both public and private finances are likely to be constrained for the foreseeable future.

Conclusion

Being able to access decent, affordable housing in mixed sustainable communities is vital to the well-being of Londoners, and to the social and economic success of London as a city. We welcome the commitment spelt out in the replacement London Plan to increase housing supply in London, and to ensuring that the new homes built meet the needs of those they are intended for. In delivering this vision, it will be critical to keep the progress of housing delivery under review, in particular with a view to maximising the proportion of affordable housing provided, both for intermediate tenures and also, critically, for social rent.

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