

**Matter 22: Housing monitoring**

Question c) of Matter 22 asks what measures should be taken if relevant targets in the London Plan are not met? This was discussed at the hearing session on Friday 15 February. As part of this the Mayor's team was asked to respond to the practical and other implications of undertaking an early review of the London Plan in relation to the housing targets. We understand that the intention otherwise would be to publish a revised version in 2024/25.

The Secretary of State's letter to the Mayor of 27 July 2018 indicates an expectation that the London Plan should be reviewed immediately once it has been published. In order to assist the Panel and to make others aware of his position, the Mayor is requested to provide a brief answer to the following supplementary questions.

SQ22. Assuming that what was required involved an early partial review relating solely to meeting housing need in the light of the revised National Planning Policy Framework could the Mayor please indicate how long it might realistically take for such a plan to be finally published as part of the statutory development plan? What would be likely to be the implications for the strategic planning of London in the scenario that an early review is required in respect of housing need? Does the Mayor have any comment to make on the necessity of an early review?

**Response:**

- 22.1 The Letter from the Secretary of State for Housing, Communities and Local Government, James Brokenshire, referred to in the question states “as set out in the Government’s response to your consultation, I am not convinced your assessment of need reflects the full extent of housing need in London to tackle affordability problems”.
- 22.2 Neither MHCLG’s consultation response nor their written statement for this matter provide detail on specific concerns with the methodology employed to calculate London’s housing need, apart from the fact that it differs from the standard method now set out in PPG. The London SHMA was discussed in detail as part of Matter 17 and the Mayor believes it to be a robust assessment of need, based on the most up-to-date data available at the time of carrying it out. We also discussed the use of the GLA’s own demographic projections that have underpinned previous London Plans, which have been peer reviewed, and overall, we consider provide the most robust basis for calculating London’s needs.
- 22.3 It should be noted that the 2018 NPPF does allow for other assessments of need to be used; paragraph 60 states *“To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals”*. The PPG sets out that the use of the standard method for strategic policy making purposes is not mandatory and authorities can make the case to use an alternative approach, but this would be scrutinised more closely at examination. It goes on to state that *“there is an expectation that the standard method will be used and that any other method will be used only in exceptional circumstances”*. No further guidance is provided on what would constitute an exceptional circumstance.
- 22.4 In February 2019, the Government published the outcome of their technical consultation on the methodology and inputs to the standardised need calculation. The consultation was triggered by concerns over the impact of the 2016-based household projections on overall need figures (as they were significantly lower than the 2014-based projections). Following this consultation, PPG has been updated to state that the 2014 based projections should be used to calculate need while a new methodology is devised over the next 18 months.
- 22.5 Therefore, it is currently unclear what the government’s desired formula, projections or overall need figure will be at the time the final Plan is published, as the methodology would still be being developed. This will clearly influence whether a review is required or not.
- 22.6 Given that the GLA produces robust population and household projections each year, it seems inconceivable that using projections based on 2014 data for a review in 2020 would provide the most up-to-date or robust information. It is therefore suggested that any review should be timed so that the new methodology and latest projections can be considered. Further, it renders any suggestion as to length of time for early partial review and consequential publication very difficult and likely to be an under-estimate.

**How long it might realistically take for such a plan to be finally published as part of the statutory development plan?**

- 22.7 While the question has sought to focus the idea of a review solely on meeting housing needs (which is assumed to refer to overall numbers, rather than the tenure split within that, given that the overall number is the issue the letter from the Secretary of State is concerned with), this could have implications for a number of other Policies in the Plan; this fact will in turn have implications for the length of time it takes to conduct the review. As discussed at the M22 session, the options explored, and subsequently pursued, for meeting the additional housing need will have specific implications for the overall timetable. Experienced City Hall officers estimate that the shortest time period in which this could be completed is three years. This includes time to develop the approach, to gather relevant evidence, to work with stakeholders and assess the impacts on other policies in the Plan, to consult for the statutory three month period, to assess responses and make relevant minor suggested changes, to hold an EiP period and to submit the 'intend to publish' version to the Secretary of State and the Assembly. This suggests that summer 2023 would be the earliest publication could be anticipated.
- 22.8 The Further Alterations to the London Plan is the most comparable exercise. This alteration focused on increasing housing targets within the context of the existing 2011 spatial strategy and as such affected relatively few other policies in the Plan and could be completed relatively quickly. This alteration was triggered by a change in population projections. Work on developing the SHLAA methodology (and building a new SHLAA computer system) started in summer 2012, with the SHLAA process taking about a year, the draft being published for consultation in January 2014, the EiP taking place in September 2014 and publication of the FALP occurring in March 2015.

**What would be likely to be the implications for the strategic planning of London in the scenario that an early review is required in respect of housing need?**

- 22.9 Embarking on an early review would have implications for the effectiveness of the newly-published Plan. Firstly, it would create significant uncertainty and could mean boroughs stall local plan-making processes to wait for the revised Plan to be in place. Secondly, embarking on a review would take GLA staff and resources away from implementing the draft Plan currently being examined. In particular, it would impact the ability of the team to: develop guidance (and the ability to carry out consultation and engagement that this entails); provide training and support boroughs in developing their local plans, AAPs and site allocations and design codes; and working with boroughs on the development of Opportunity Area Planning Frameworks. It would also divert resources from boroughs, which would need to engage in the review process (both in terms of their involvement in many of the key pieces of evidence, such as the SHLAA, and also on general consultation and engagement). Thirdly it could act as a disincentive for developers to actively seek, and build out, sites that are consistent with the policies in the then adopted London Plan if they are hoping that a revised Plan will open up other sites they may already own or have options on.

**Does the Mayor have any comment to make on the necessity of an early review?**

- 22.10 The Mayor has committed to reviewing the threshold for affordable housing and the minimum tenure mix in 2021 to ensure that the Plan is effective in delivering as many of the affordable homes that Londoners need as possible. It is proposed that this is done

via an SPG, for the sake of speed (this was discussed as part of Matter 24). Updating the housing targets to provide targets beyond 2029 has also been discussed at the EiP sessions, with an acceptance that this would need to be in place by 2024/2025. This could also represent a more appropriate time to carry out a partial review of the Plan, including an assessment of housing need and other key evidence bases (such as employment projections) and would provide some time for the Policies in the draft Plan to be imbedded (this is particularly important given the recognition that it may be appropriate for boroughs to take a 'stepped' approach to meet the housing targets and provides the opportunity to reflect on the early years of implementation of the Plan to identify any other changes to the Policies that may be needed.

- 22.11 The Mayor is absolutely committed to increasing the numbers of homes, particularly genuinely affordable homes, in London. This is consistent with the Government's aspirations for more homes to be built. Publishing the Plan that is currently under examination is key to ensuring the delivery of more homes, as acknowledged in the Secretary of State's letter. But a Plan alone does not guarantee delivery, and concentrating efforts on implementing this Plan, working closely with all stakeholders and using all of the Mayoral powers available, is considered the most sensible and effective approach to meeting London's needs. This aim would not be well served by an early review of the Plan, as such a review would become a distraction from delivery and a possible deterrent rather than an encouragement to beneficial development.