

# The London Plan and affordable housing

In focusing on the squeezed middle, we should not lose sight of those in greatest need – the squashed bottom, says Duncan Bowie



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**The Mayor has now formally published** a set of 'minor' alterations to the London Plan to bring the Plan into conformity with the National Planning Policy Framework which was published in March, just a few days after the 2011 London Plan was published. The Mayor's team has checked every policy in the Plan against the NPPF and is proposing a series of amendments – most of these genuinely are minor and just involve deleting outdated references such as those to now withdrawn Planning Policy Statements and the now lapsed Inter Regional Planning Forum.

The Mayor does however recognise that there is one substantive alternation – the only amendment showing as red on the Mayor's traffic light system – a revised definition of affordable housing to bring the London Plan into line with the new definition in the NPPF. As previewed in my article in PIL 80, the revision is to reflect that the Government has introduced a new tenure, misleadingly called 'affordable rent' which is predicated on rents at up to 80 per cent of market rents with a minimum tenancy of two years. In parallel, the Government has stopped funding social rented homes with lower rents and security of tenure, with the funds distributed by the Homes and Communities Agency, and in London by the Mayor, being focused on the new 'affordable rent' product.

While it is arguable that the Mayor legally has no alternative but to adopt the Government's new definition (however wrong that may be), the Mayor is however going a stage further. In the 2011 London Plan, the target for social rented homes is 60 per cent of affordable homes, with 40 per cent to be intermediate housing. Given the Mayor's numerical target for affordable housing is in effect 40 per cent of total supply, this gives an indirect target that 25 per cent of all new homes

should be social rented homes.

The Mayor is however proposing that this proportion applies to affordable rent and social rent combined. This is based on the Government assertion that affordable rent is targeted at the same households who would previously be housed in social rented housing, but in fact the new 'affordable rent' tenure is actually a form of intermediate housing and not social housing at all, and should be included in the 40 per cent intermediate target.

By claiming incorrectly that affordable rent is equivalent to social rent, the Mayor is removing the requirement in strategic planning policy to provide social rented homes. This is going to make it very difficult for London boroughs to seek to pursue the provision of social rented housing through section 106 agreements.

However at the recent meeting of the London Planning and Development Forum, the representative from the Mayor's strategic planning team said that the Mayor would object to any borough core strategy which tried to retain its own separate social rent target or to require developers or housing associations to provide a proportion of new homes at lower rents that assumed in the 'affordable rent' programme – the Mayor has stated his intention of schemes he funds achieving an average of 65 per cent of market rent rather than the Government's national average of 80 per cent.

This means that Boroughs, constituting the majority of London boroughs under a range of party political control; who have core strategies or UDPs under the pre-2004 arrangements, which include a separate social rent targets (and the majority of boroughs actually have targets at or close to the 35 per cent target in the 2004 and 2008 London Plans) would no longer be in conformity with the London Plan and would be required to follow the Mayoral policy.

A number of boroughs, led by Islington and Southwark, have already stated their intention to continue to provide some social rented housing, even with the withdrawal of direct government subsidy. The justification for this is clear in the evidence base of housing need – the Mayor's own 2009 strategic housing market assessment (the latest London-wide study available), showing that 45 per cent of households in need could not afford

intermediate housing and needed social rented homes.

The Mayoral proposal completely ignores this evidence base. While it is recognised that there are real challenges in the current economic climate and Government austerity programme with delivering a needs based programme of new homes in terms of location, affordability, build form and household size, it is unacceptable to jettison the requirement to seek to meet the needs identified by the evidence base in favour of adopting an ideologically driven objective of seeking to maximise numerical output, and adopting a definition of 'affordable housing' which does not include homes which are affordable by those in the greatest need. This is not a minor alteration.

Any plan is inevitably a balance between meeting identified need and deliverability. This proposal swings the pendulum too far. Moreover in proposing a change in the target system and then imposing it on boroughs, the Mayor is actually going beyond the requirements of the NPPF. The social rented target must be kept in the London Plan and revised to reflect an up to date analysis of housing need in London, rather than jettisoned.

The Mayor should focus on what action is necessary to get more affordable homes built and to respond to the latest ONS population projections which predict much higher levels of population growth in London, rather than fiddling the definitions.

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THE LONDON PLAN  
SPATIAL DEVELOPMENT STRATEGY FOR GREATER LONDON

REVISED EARLY MINOR ALTERATIONS  
CONSISTENCY WITH THE  
NATIONAL PLANNING POLICY FRAMEWORK