

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2710

Title: Annual Monitoring Report 19 2021-22

Executive summary:

The London Plan was formally published in March 2021, making it part of the statutory development plan for Greater London. Section 346 of the Greater London Authority Act 1999 requires the Mayor to monitor the implementation of the London Plan. Mayoral Decision 2978 approved the framework for undertaking Annual Monitoring Reports (AMRs), including delegating authority to approve AMRs to the Assistant Director for Planning and Regeneration.

This Assistant Director Decision seeks approval of the AMR19 (the first AMR to use this framework), which covers the monitoring period 2021-22. This report also increases the Intermediate Rent maximum income threshold from £60,000 to £67,000.

Decision:

That the Assistant Director of Planning and Regeneration approves:

- an increase in the Intermediate Rent maximum income threshold from £60,000 to £67,000
- the Annual Monitoring Report 19 (2021-22).

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Lucinda Turner

Position: Assistant Director Planning and Regeneration

Signature:



Date:

29/05/2024

PART I – NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. The Annual Monitoring Report (AMR) is a legal requirement and should be published every year, ideally in spring. The framework for monitoring the London Plan (published in March 2021) was approved by Mayoral Decision (MD) [2978](#) in June 2022. There have been some delays in the publication of this AMR, to ensure veracity of the data following transition to a live data service.
- 1.2. Chapter 12 of the London Plan sets out 12 key performance indicators (KPIs) for monitoring the plan. It also notes that more detailed data and performance measures will sit alongside the KPIs in the AMR. The chapter also covers monitoring of referable applications and Opportunity Areas. All of these elements have been incorporated into the approved framework.
- 1.3. This framework differs from the previous one, in that it is based on monitoring delivery against the six Good Growth objectives set out in Chapter 1 of the London Plan. These underpin the whole of the Plan and each individual policy. The Sustainability Statement published alongside the London Plan also noted that several Integrated Impact Assessment objectives applicable to the London Plan would be monitored through other Mayoral strategies. It added, however, that three aspects were covered by neither the KPIs nor any other Mayoral strategies:
 - average classroom size in primary school
 - the number and condition of designated heritage assets
 - restoration of rivers and streams.

These were therefore incorporated into the AMR framework.

- 1.4. The AMR19 is the first AMR to use this framework, and to monitor the implementation and performance of the London Plan (2021). However, it should be noted that 2021-22 was an unusual year, being so close to the global pandemic. It is also difficult to draw detailed conclusions from just one year of full implementation.
- 1.5. The AMR differ from previous approaches in the following respects:
 - Narrative would only be provided where a KPI was not met.
 - All data used would be in the public domain, in the interest of openness and transparency – this ensures members of the public can interrogate the base data themselves.
 - It would report against the three pillars of sustainability: environmental; economic; and social. This is a new approach, enabling assessment of delivery against cross-cutting themes. For example, many of the London Plan's policies deliver social value, even though the Plan does not use that specific term. This is a good mechanism to demonstrate and assess how effectively that value is being realised.
 - It would provide an annual opportunity for anyone to comment on the framework, to ensure it remains up to date and responds to community needs.
- 1.6. Following publication of this first AMR for the London Plan (2021), the team will review it along with feedback from the community. The team will remove any datasets that do not add value, or are dealt with in other documents such as the State of London report (which was not in place when the AMR framework was agreed).

- 1.7. The framework was designed to reduce the amount of text describing datasets, and to focus on narrative analysis. This would allow performance to be assessed against the good growth objectives; the social, environmental and economic objectives; and some equality aspects (as outlined below). To ensure value for money, the AMR (during its preparation) relies on data that is already monitored, and therefore available without additional resource. There is plenty of open-source data available for monitoring the London Plan. Any potential 'one-off' data that could be helpful will be explored through the preparation of the evidence base to support the London Plan, rather than being committed to in the AMR.
- 1.8. The new section on equalities does not revisit equalities impacts as a whole. Rather, it focuses on 'outlier' impacts. This recognises that the London Plan was subject to an Equality Impact Assessment (EqIA) to ensure that the Mayor had regard to the Public Sector Equality Duty (the Duty), and equalities outcomes would be broadly expected to be in line with that assessment. That said, an EqIA has been carried out for this decision, to ensure that unexpected outcomes, or impacts on groups who share protected characteristics, or other equality considerations, are assessed and addressed where appropriate. Further detail regarding this approach is set out in paragraphs 3.3 and 3.4 of MD2978, and section 3 of this Assistant Director Decision (ADD).
- 1.9. The AMR is also the mechanism by which the intermediate housing income thresholds, and how they are applied, will be reviewed and updated where necessary, as set out in London Plan paragraph 4.6.8. AMR19 includes an update to the household income threshold for intermediate rented housing. As this goes beyond reporting, the income-cap increase was the subject of public consultation, as set out in section 4 of this ADD.

2. Objectives and expected outcomes

- 2.1. The AMR is how the Mayor discharges his statutory duty to monitor the implementation of the London Plan through the publication of annual datasets and narrative analysis. Over time, these reports will support: understanding of the London Plan implementation; and the statutory London Plan review process, as well as any future alteration or replacement of the London Plan.

3. Equality comments

- 3.1. The Mayor and the GLA are subject to the Duty, as set out in section 149 of the Equality Act 2010 covering race, disability, sex, age, sexual orientation, religion or belief, pregnancy and maternity, gender reassignment, and marital or civil partnership status. These are the grounds upon which discrimination is unlawful, and are referred to as 'protected characteristics'. The Duty requires the Mayor, when exercising his functions, to have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Act; and to advance equality of opportunity, and foster good relations, between persons who share a relevant protected characteristic and persons who do not.
- 3.2. Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
 - remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not
 - encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

The steps involved in meeting the needs of disabled persons include, in particular, steps to take account of their disabilities. Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not involves having due regard, in particular, to the need to tackle prejudice, and promote understanding. Compliance with these duties may involve treating some persons more favourably than others.

- 3.3. The courts have emphasised that “due regard” requires an active and engaged analysis of the relevant material with the specific statutory considerations in mind. However, the Duty does not require that the considerations raised in the analysis are decisive in the particular case; and finally, it is up to the decision-maker how weight is to be given to the requirement that “due regard” is given to the Duty.
- 3.4. These duties apply to the decision whether to update and publish (as part of the AMR’s publication) the increase in the Intermediate Rent maximum income threshold (from £60,000 to £67,000). The proposal is in line with the London Plan, which states that the threshold will be reviewed and updated in the AMR. This threshold has not been amended since 2017, resulting in fewer households being able to access intermediate rent as incomes have risen. The proposed increase in income threshold (which determines household eligibility) supports the equalities objectives of the London Plan, as it will mean more households, including key workers and those with protected characteristics, can access intermediate rent. The EqIA identifies some negative impacts relating to an increase in maximum housing costs for homes that are secured at the maximum income threshold. However, the higher threshold will improve development viability, and therefore the delivery of intermediate rented housing, which is generally more affordable than shared ownership. This should also support delivery of higher overall levels of affordable housing, including low-cost rental housing, where this is required; and help alleviate pressure on the private rented sector.
- 3.5. In addition, the London Plan states that boroughs should seek to ensure that intermediate provision provides for households with a range of incomes below the upper limit. It also states that the Mayor’s preferred intermediate rent tenure is London Living Rent (LLR). Most LLR benchmarks are below the maximum housing costs applicable under the £67,000 threshold. Maximum housing costs are also subject to other affordability requirements: they should be no more than 40 per cent of the net maximum household income, and no more than 80 per cent of market rent.
- 3.6. The London Plan policies have also been subject to a full EqIA. It is considered that increasing the Intermediate Rent maximum income threshold (from £60,000 to £67,000) would be consistent with, and support, the Mayor’s duty to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not.

4. Other considerations

Key risks and issues

- 4.1. There are ongoing risks associated with further delays to the publication of AMR19. Ideally, it would have been published in spring 2023, but mitigating risks associated with the transition to a live planning data service has created delays. We consider that the data is now sufficiently robust for publication but would note that the AMR draws on live datasets, and therefore future downloads may result in slightly different figures. Dates of information download have been published alongside appropriate caveats within the document, highlighting why there may be slight changes in future figures drawn from the Planning Datahub.
- 4.2. The AMR19 highlights a few areas where the London Plan has not met KPIs. These are housing completions; office capacity; transport mode share; and installation of cycle parking. Several of these KPIs were disproportionately impacted by the COVID-19 pandemic.
- 4.3. As highlighted above, a risk of the proposal is that housing costs for intermediate rent housing could become less affordable. However, there are relevant mitigating factors, including: London household median incomes have increased since the threshold was last changed; LLR benchmarks are typically

below the maximum housing costs applicable under the £67,000 threshold; and other measures will be applied, limiting the extent to which housing costs increase. The intermediate thresholds will also be kept under review as a part of future AMRs.

Links to Mayoral strategies and priorities

- 4.4. The AMR is the framework for monitoring the London Plan (2021). The AMR is also the mechanism by which the intermediate housing income thresholds are reviewed and updated where necessary, as set out in London Plan paragraph 4.6.8. The proposal to increase the intermediate rent income threshold will increase eligibility to intermediate rent for middle-income households; and will support delivery of intermediate affordable housing, in line with London Plan policies H4 and H5.
- 4.5. This also supports the objectives of the Recovery Mission, agreed by the London Recovery Board, to provide a robust safety net for Londoners to access the support they need, including housing.

Consultations and impact assessments

- 4.6. Consultation was undertaken on amendments to the Intermediate Rent maximum income threshold, as part of a wider consultation on the draft Affordable Housing London Plan Guidance (LPG) and draft Development Viability LPG. This ran between 2 May and 24 July 2023.
- 4.7. There is no consultation process associated with the AMR. There is provision for the public to send in comments, concerns or other feedback within six weeks of publication, so that this feedback can be considered when preparing the next AMR, but this is not consultation as such which would involve actively seeking feedback and engagement. It is for this reason that consultation on the Intermediate Rent household income threshold was included as part of the LPG consultation process.
- 4.8. Key elements of the LPG consultation included an online platform with over 1,600 visitors; two webinars; and a series of engagements with borough officers, stakeholders, the London Housing Panel, the London Forum of Civic and Amenity Societies, and representatives of the development industry through BusinessLDN.
- 4.9. The question concerning the Intermediate Rent maximum income threshold received 30 responses. Two were submitted on behalf of organisations representing particular protected characteristic groups (age, sexual orientation, gender reassignment and disability).

Respondent type	Number of responses
Business	14
Campaign group	2
Government body or agency	1
London borough	9
Professional body	4
Total	30

- 4.10. Twenty-five respondents supported the raised income cap; one did not; and four said they didn't know whether or not they supported it. The support was primarily in favour of: helping more people access intermediate rent, at a time when fewer people can afford home ownership; and improving development viability. Concerns were raised that it would make intermediate rent less affordable for some key workers; and that councils may not secure units below the maximum threshold. Several responses suggested that the threshold should be raised annually, to increase certainty.
- 4.11. These responses were carefully considered before requesting this ADD. In particular, given the majority support for greater access to intermediate provision, and increased delivery arising from improved viability, as well as mitigating factors (such as increased median incomes, that LLR benchmarks are typically below the maximum housing costs applicable under the £67,000 threshold, and other affordability measures referred to above), it is recommended that the higher threshold

should be implemented. Future changes to intermediate housing income thresholds will be considered for future AMRs, taking into account changes in median incomes and affordability.

Conflicts of interest

- 4.12. No conflicts of interest have been identified for any officers involved in the development of this proposal or drafting or clearance of this decision form.

5. Financial comments

- 5.1. There are no identified financial implications for the GLA from this decision.

6. Legal comments

- 6.1. The Mayor's statutory plan-making powers are set out in Part VIII of the Greater London Authority Act 1999 (the Act). Section 334 of the Act requires the Mayor to prepare and publish the London Plan. Section 346 of the Act requires the Mayor to monitor the implementation of the London Plan. Further to MD297 (which authorised the AMR Framework to ensure the London Plan is monitored using principles clearly set out in this framework, in accordance with Chapter 12 of the London Plan and the Sustainability Statement published alongside it), this ADD seeks authority to publish the AMR for 2021-22.
- 6.2. The proposal in this ADD includes a change to the household income threshold for intermediate rented housing. The London Plan 2021 (paragraph 4.6.8) states that the AMR will be the mechanism to review and update these figures where necessary. Section 34 of the Act contains a general power to do that which is calculated to facilitate, or is conducive or incidental to, the exercise of any functions of the Authority. The decision to change these thresholds may reasonably be regarded as facilitating, or being conducive or incidental to, the exercise of the Mayor's power under sections 334 and 346 of the Act.
- 6.3. As this goes beyond reporting, consultation has been carried out on this change as part of the consultation on the draft Affordable Housing LPG. This consultation only used publicly available data in line with the AMR Framework. An explanation of this consultation, and how the consultation responses have been taken into account, is set out within section 4 of this ADD.
- 6.4. An EqlA has also been prepared. In taking the decision requested, the Assistant Director must have due regard to the Duty, as set out within section 3 of this ADD.

7. Planned delivery approach and next steps

- 7.1. The AMR19 (2021-22) will be published once it has been approved.
- 7.2. The new Intermediate Rent maximum income threshold will apply from the date of publication.

Appendices and supporting papers:

Appendix 1 - Annual Monitoring Report 19 2021-22

Appendix 2 - Equalities Impact Assessment for the review of the Intermediate Rent maximum income threshold

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will be published either within one working day after it has been approved or on the defer date.

Part 1 – Deferral

Is the publication of Part 1 of this approval to be deferred? NO

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under the FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form? NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Lisa Fairmaner has drafted this report in accordance with GLA procedures and confirms the following:

✓

Corporate Investment Board

A summary of this decision was reviewed by the Corporate Investment Board on 20 May 2024.

✓

ASSISTANT DIRECTOR, FINANCIAL SERVICES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature:

Anna Gustolt

Date:

20/05/2024