



**Sian Berry AM**  
**City Hall**  
**The Queen's Walk**  
**LONDON SE1 2AA**

Jules Pipe  
Deputy Mayor, Planning, Regeneration and Skills  
City Hall  
The Queen's Walk  
London SE1 2AA

10 March 2020

Dear Jules,

**New London Plan policies to maximise affordable housing using grant**

I am writing to request clarification on how planning authorities and the Mayor should interpret requirements in the new London Plan, which ask councils and developers to apply for grants in order to maximise affordable housing in new developments.

The relevant policies are H4 Delivering affordable housing, H5 Threshold approach to applications, and H8 Loss of existing housing and estate redevelopment. Extracts from the latest version of the new London Plan are reproduced below.

It is my understanding that these planning policies together mean that, for any council considering an estate demolition and regeneration scheme on its own land, the following terms apply:

- a) They must go through the Viability Tested Route (Policy H8, Part D and supporting text).
- b) The need for a ballot of residents may apply, if they are seeking funding from the Mayor (Policy H8 supporting text, and detailed requirements in the Resident Ballot Requirement funding condition, which is part of the Mayor's Affordable Housing Capital Funding Guide).
- c) They must achieve at least 50 per cent affordable housing on the specific site (Policy H4 part (4) – my emphasis).
- d) The requirement in Policy H4 part (2) for “using grant to increase affordable housing delivery beyond the level that would otherwise be provided” applies whether or not they achieve the 50 per cent target.



City Hall Green — Sian Berry AM

**sian.berry@london.gov.uk 020 7983 4391 @sianberry facebook.com/sianberrygreen**

I would like to gain some clarity from you, in respect of my interpretation of these combined policies to mean that, no matter how compliant with target percentages a scheme is, there is an assumption that grant funding can always improve this, and so all eligible schemes should apply for grant in order to comply with the requirements of the new London Plan.

Please could you consider this question and respond to me as soon as possible?

Yours sincerely,



**Sian Berry**  
**Green Party Member of the London Assembly**

**Notes:**

**Extracts from the London Plan – Intend to Publish version, December 2019**

[https://www.london.gov.uk/sites/default/files/intend\\_to\\_publish\\_-\\_clean.pdf](https://www.london.gov.uk/sites/default/files/intend_to_publish_-_clean.pdf)

**Policy H8 Loss of existing housing and estate redevelopment**

**Demolition and replacement of affordable housing.**

- D. All development proposals that include the demolition and replacement of affordable housing are required to follow the Viability Tested Route and should seek to provide an uplift in affordable housing in addition to the replacement affordable housing floorspace.

**Supporting text for Policy H8**

**4.8.4**

Regardless of whether an estate regeneration project includes the demolition and replacement of affordable homes, it is important that all such schemes are delivered with existing and new residents and communities in mind. All proposals for such schemes should take account of the requirements of the Mayor's Good Practice Guide to Estate Regeneration (2018) and the requirement for a ballot of residents when accessing Mayoral funding for schemes that involve demolition.

**4.8.5**

Estate regeneration that involves the loss and replacement of affordable housing should deliver an uplift in affordable housing wherever possible. Therefore, all such estate regeneration schemes must go through the Viability Tested Route to demonstrate they have maximised the delivery of any additional affordable housing. For the purposes of this policy,



City Hall Green — Sian Berry AM

**sian.berry@london.gov.uk 020 7983 4391 @sianberry facebook.com/sianberrygreen**

existing affordable housing floorspace includes both occupied and vacant floorspace regardless of the current condition of the stock.

#### **Policy H4 Delivering affordable housing**

A The strategic target is for 50 per cent of all new homes delivered across London to be genuinely affordable. Specific measures to achieve this aim include:

- 1) requiring major developments which trigger affordable housing requirements to provide affordable housing through the threshold approach (Policy H5 Threshold approach to applications)
- 2) using grant to increase affordable housing delivery beyond the level that would otherwise be provided
- 3) all affordable housing providers with agreements with the Mayor delivering at least 50 per cent affordable housing across their development programme, and 60 per cent in the case of strategic partners
- 4) public sector land delivering at least 50 per cent affordable housing on each site and public sector landowners with agreements with the Mayor delivering at least 50 per cent affordable housing across their portfolio

#### **Supporting text for Policy H4 (bold is emphasis from the plan text)**

4.4.4 Schemes are expected to deliver at least the threshold level of affordable housing **without grant or public subsidy** and to increase this proportion through the use of grant and other subsidy, where available. Only where there are clear barriers to delivery and it is fully justified through detailed viability evidence, in line with the methodology and assumptions set out in Policy H5 Threshold approach to applications and the Mayor's Affordable Housing and Viability SPG, should a lower level of affordable housing be considered.

#### **Supporting text for Policy H5 (bold is emphasis from the plan text)**

4.5.11 All schemes are expected to maximise the delivery of genuinely affordable housing and make the most efficient use of available resources to achieve this objective. Where **grant or other public subsidy** is available and would increase the proportion of affordable housing, this should be utilised. The higher proportion of affordable housing should be set out in the Section 106 agreement as being subject to grant availability, alongside the proportion viable without grant. Funding will be available on a tariff basis, details of which are set out in the Mayor's Homes for Londoners: Affordable Homes Programme 2016-21.60 Applications for schemes of 150 units or more must evidence that they have sought grant to increase levels of affordable housing. Generally, this will be through evidenced discussions with the local authority and registered providers of social housing. Further detail is provided in the Affordable Housing and Viability SPG.

