

MAYOR OF LONDON

Tom Copley

Deputy Mayor for Housing and
Residential Development
Greater London Authority
Kamal Churchie Way
London
E16 1ZE

Date: 25 July 2024

Dear Tom,

GLA Land and Property Limited Portfolio Approach to Affordable Housing

The Mayor's strategic target, as set out in the London Plan, is for 50 per cent of all new homes delivered across London to be genuinely affordable. London Plan Policy H5 and the Mayor's Affordable Housing and Viability Supplementary Planning Guidance (SPG) include a threshold approach for applications which, in the case of development on public land, is set at 50 per cent affordable housing. The Mayor's Housing Strategy also sets a target for the GLA Group to achieve an average of 50 per cent affordable homes on their land. Furthermore, all GLA Group organisations, including GLA Land and Property Limited (GLAP), have committed to achieving this target in the March 2022 statement of shared policy.

Paragraph 4.4.7 of the London Plan and paragraph 2.34 of the SPG state that where there is an agreement in place with the Mayor to provide at least 50 per cent affordable housing across a portfolio of sites, individual sites on public land which meet or exceed the 35 per cent affordable housing threshold and the required tenure split may be considered under the Fast Track Route.

In line with the Mayor's target and the statement of shared policy, GLAP has committed to delivering an average of 50 per cent affordable housing across the sites within its portfolio. This letter constitutes the agreement for the purposes of the London Plan and the SPG that residential development proposals within GLAP's portfolio over the coming years can be considered under the Fast Track Route, provided that at least 35 per cent affordable housing is proposed on each site at the required tenure split as set out below, and that an average of 50 per cent affordable housing is provided across the portfolio.

To qualify for the Fast Track Route, the criteria for tenure set out in London Plan Policy H6 and paragraph 2.40 of the SPG must be met. This sets out that at least 30 per cent of the affordable housing should be low cost rent (Social or London Affordable Rent) and 30 per cent should be intermediate, with the remaining 40 per cent to be determined by the local authority based on identified need. London Plan Policy H6 and Paragraph 2.35 of the SPG state that where 50 per cent affordable housing is delivered, the tenure of additional affordable homes above the 35 per cent is flexible, providing the homes are genuinely affordable.

For Build to Rent (BtR) schemes, the criteria in London Plan Policy H11 should be met. To follow the Fast Track Route schemes should provide at least 30 per cent of Discount Market Rented housing at the equivalent rent to London Living Rent with the remaining 70 per cent at a range of genuinely affordable rents. Further criteria for BtR development are set out in Policy H11 and supporting text, and the SPG.

The London Plan and the SPG require affordable housing to be calculated on a habitable room basis, therefore the GLA will expect planning applications on these schemes to provide the requisite level of affordable housing calculated on this basis. For all schemes the Mayor's affordability criteria set out in the London Plan Annual Monitoring Report must be met and secured through the Mayor's standard S106 clauses. The sites will be subject to Fast Track Route early viability review mechanisms as set out in the SPG if substantial implementation is not achieved within two years (or a period agreed with the local planning authority) of the grant of planning permission.

GLAP is expected to demonstrate that the level and tenure of affordable housing required under the portfolio agreement is being delivered across the portfolio sites. Changes may need to be made to individual development proposals as they progress through the planning system. This will affect the wider portfolio and it will be necessary for GLAP to keep this under review. If a site no longer meets the portfolio requirements it will be assessed through the Viability Tested Route and additional sites may need to be added to ensure that the portfolio meets the affordable housing requirements set out in this letter as a whole. Monitoring should reflect this dynamic process, whilst also robustly and transparently tracking progress on the actual levels of affordable housing achieved on each site as they progress through the development process from planning permission through to starts and completions.

To that end, GLA officers will track the progress of individual schemes, as well as the portfolio as a whole, on an ongoing basis. Regular reports will be made on a quarterly basis to the Homes for Londoners Board, or any other such replacement body, and these reports will be made publicly available on the GLA website. This will allow the reasonable degree of flexibility for GLAP to manage delivery across the portfolio whilst ensuring that the Mayor, London boroughs and the public can be confident that this ongoing agreement is being honoured.

I welcome GLAP's commitment to achieving 50 per cent affordable housing. Yours sincerely,

Jules Pipe CBE

A handwritten signature in black ink, reading 'Jules Pipe', with a horizontal line underneath the name.

Deputy Mayor for Planning, Regeneration and the Fire Services