

**M24 Would policies H5 to H8 provide a justified and effective approach to delivering affordable housing to meet the good growth objectives set out in Policy GG4? Overall, would they provide an effective strategic framework for the preparation of local plans and neighbourhood plans in relation to affordable housing? In particular, in relation to each policy:**

**Policy H5 *Delivering Affordable Housing***

**a) Would the definition of ‘genuinely affordable housing’ and the Mayor’s ‘preferred affordable housing tenures’, include the affordable homes needed?**

- 24.1 Yes. Sections 4.7.3 – 4.7.9 of the draft Plan set out the Mayor’s preferred affordable housing tenures, and the basis on which they are deemed to be genuinely affordable to Londoners, alongside the criteria for other affordable tenures to qualify as ‘genuinely affordable’. The preferred affordable housing tenures of London Affordable Rent and Social Rent homes meet the needs of households identified in the Strategic Housing Market Assessment (SHMA) as needing low cost rent homes. The preferred affordable housing tenures of London Living Rent and London Shared Ownership meet the needs of households identified in the SHMA as needing intermediate housing.
- 24.2 Other types of affordable housing, which are not genuinely affordable, are unsuitable for meeting Londoners’ affordable housing needs as they would not be affordable to their intended occupants. For example, the Mayor considers that Affordable Rent is generally not genuinely affordable for those in need of low cost rent homes unless the rent levels are capped at his London Affordable Rent (LAR) levels.

**b) Would the strategic target of 50% of all new homes to be genuinely affordable be justified in light of the identified need?**

- 24.3 Yes. The findings of the SHMA indicate that 65 per cent of new homes should be affordable to meet identified need. In setting the strategic affordable housing target, the Mayor has considered the requirement to meet the full, objectively-assessed need for both market and affordable housing in line with the 2012 NPPF.<sup>1</sup> However, it is important to note that while the SHMA provides an important evidence base, a range of other factors must also be taken into account when setting affordable housing targets. This includes the requirement of the 2012 NPPF to not impose cumulative burdens that could put delivery of the Plan at serious risk<sup>2</sup> and the amount of public subsidy available to fund affordable housing.
- 24.4 The strategic target of 50 per cent of all new homes to be genuinely affordable is considered to be both ambitious and deliverable. It will be achieved through a combination of affordable housing planning contributions delivered without grant, and additional affordable housing that is partially funded through affordable housing grants or in-kind contributions, such as discounted public land.
- 24.5 The strategic affordable housing target supports the delivery of a greater proportion of market homes to that identified as required to meet London’s need. However, this is consistent with the planning practice guidance (PPG), which encourages an increase

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<sup>1</sup> NLP/GD/03: DCLG, National Planning Policy Framework (NPPF) 2012, Paragraph 47

<sup>2</sup> NLP/GD/03: DCLG, NPPF 2012, Paragraph 174

in the total housing requirement where it could help deliver the required number of affordable homes.<sup>3</sup> Any reduction in market housing delivery would have an impact upon affordable housing delivery.

- 24.6 To access the Fast Track Route (FTR), as set out in Policy H6, applications for major residential schemes should, in most instances, provide 35 per cent affordable housing on site without public subsidy. This rises to 50 per cent on public land and Strategic Industrial Locations (SIL), Locally Significant Industrial Sites (LSIS) and Non-Designated Industrial Sites appropriate for other residential uses in accordance with Policy E7 Industrial intensification, co-location, and where the scheme would result in a net loss of industrial capacity.
- 24.7 The gap between affordable housing delivered through planning contributions and the strategic targets will be bridged through additional affordable housing delivery from registered providers and London boroughs. Any registered providers receiving affordable housing grant are obliged to deliver 50 per cent of their entire housing programmes as affordable housing. In addition, the Mayor has agreed strategic partnerships with fifteen registered providers and 60 per cent of their entire housing programme will be affordable. These commitments are contractual conditions of funding under the Mayor’s affordable homes programme.<sup>4</sup>
- 24.8 The Mayor has also made additional affordable housing funding available to councils through his Building Council Homes for Londoners programme.<sup>5</sup> These partners will also receive support for land acquisitions and other initiatives, such as construction skills and precision manufacturing programmes. A target has also been set for functional bodies to deliver an average of 50 per cent affordable homes on new sites brought forward for development.

**c) In requiring major developments which trigger affordable housing requirements to provide affordable housing through the threshold approach, would the policy be effective in delivering the quantum of affordable housing required?**

- 24.9 Yes. The threshold approach is an effective mechanism to contribute towards meeting the draft Plan’s strategic target for 50 per cent of new homes to be affordable. The thresholds provide greater clarity, certainty and consistency across London and speed up decision making, by providing an incentive to applicants to meet the threshold level of affordable housing – this incentive being the fast-tracking of their application through the removal of the requirements to undergo viability assessment and there being no requirement for a late-stage review. Were the threshold set too high, that incentive would not be enough for applicants to seek to reach the threshold; were it set too low, potential contributions to affordable housing would be lost unnecessarily. Given the differences in values and other characteristics across London, and between different areas in close proximity to one another, there will be some schemes that

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<sup>3</sup> MHCLG, Planning Practice Guidance (PPG), Paragraph: 029 Reference ID: 2a-029-20140306, Revision date: 06 03 2014

<sup>4</sup> Mayor of London, [Homes for Londoners - Affordable Homes Funding Guidance for 2016-21](#), November 2016; and Mayor of London, [Homes for Londoners - Affordable Homes Funding Guidance for 2016-21 Addendum](#), June 2018

<sup>5</sup> Mayor of London, [Building Council Homes for Londoners Funding Prospectus](#), October 2018

could deliver a higher level of affordable housing without public subsidy and others that could only deliver a smaller amount.

- 24.10 The threshold seeks to embed affordable housing requirements in land values and avoid circumstances, which have become prevalent over recent years, where a lack of clarity regarding affordable housing requirements contributed to uncertainty in the land acquisition process. This introduced a circularity in which developers overpaid for sites and then attempted to recover some or all of this overpayment through reductions in affordable housing provision.
- 24.11 The London Plan Viability Study indicates that most sites across London can provide 35 per cent affordable housing without public subsidy with a 60/40 tenure mix between low cost rent and intermediate affordable housing. In areas where values are lower, a higher proportion of intermediate products may be necessary to reach a 35 per cent contribution.
- 24.12 Development proposals that do not meet the relevant threshold will be considered under the viability tested route (VTR). Permission will only be granted subject to a late stage viability review to determine whether additional affordable housing contributions can be provided. This is consistent with Government guidance that requires plans to set out circumstances where viability review mechanisms may be appropriate, as well as clear process and terms of engagement regarding how and when viability will be reassessed over the lifetime of the development<sup>6</sup>.

**d) Would the approach to affordable housing providers, public sector land and industrial land be justified and effective?**

- 24.13 Yes.

Affordable housing providers

- 24.14 Affordable housing providers with voluntary agreements with the Mayor have agreed to deliver either 50 per cent or 60 per cent affordable housing across their development programmes. These providers have secured an affordable housing grant allocation that may be used flexibly across their development programmes to maximise affordable housing output across their portfolio. They are required to provide the threshold level of affordable housing on individual sites, as are other categories of applicants. Although this represents an agreement, rather than a planning requirement, this approach is referenced in the draft Plan as it is an important element of the Mayor's strategy to meet the 50 per cent strategic affordable housing target.

Public sector land

- 24.15 In 2016, Government committed to '*fast-track building of affordable homes on publicly owned land*'<sup>7</sup>. In 2017, government identified the use of public land as an important part of its plans to boost the supply of new homes, including affordable homes.<sup>8</sup>

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<sup>6</sup> MHCLG, PPG, Paragraph: 009 Reference ID: 10-009-20180724 Revision date: 24 07 2018

<sup>7</sup> 'PM: [The government will directly build affordable homes](#), January 2016'

<sup>8</sup> DCLG, [Public Land for Housing programme 2015-20 Annual Report](#), February 2017

- 24.16 The Mayor recognises that public-sector land<sup>9</sup> can play a significant role in meeting affordable housing need, alongside providing other public benefits as, in many cases, public-sector land commands a relatively low existing use value. Moreover, public landholdings should be used to deliver the public benefits that are most needed and secured in perpetuity.
- 24.17 The threshold level of affordable housing on public sector land is set at 50 per cent. This applies on a site-by-site basis, or, where a public-sector landowner has an agreement with the Mayor, 35 per cent can be provided on an individual site on the condition that at least 50 per cent is provided across the landowners' portfolio. This enables public-sector landowners to flexibly manage their portfolio to optimise returns to deliver additional public benefits.

#### Industrial land deemed suitable for release to residential uses

- 24.18 Industrial capacity is crucial to the successful functioning of London and the wider economy. Recent studies have shown that there is limited scope for further release of industrial floorspace capacity.<sup>10</sup> However, where industrial land is deemed suitable for release, the draft Plan sets out a clear process for how that release should be carried out to ensure that, in most circumstances, there is no net loss of industrial floorspace capacity in designated industrial areas.<sup>11</sup>
- 24.19 A historic trend across London of releasing SIL and LSIS to provide housing has led to land price speculation in some industrial areas in anticipation of future releases. This speculation can undermine the intensification of industrial floorspace and the delivery of high-quality mixed-use developments as sites may be mothballed if they were overpaid for. The approach to affordable housing on industrial land set out in the draft Plan provides certainty to developers and safeguards against the threat of industrial land suitable for residential use becoming sterilised through overpayment for the land.
- 24.20 The 50 per cent threshold on industrial land released for housing development recognises the fact that existing use values are generally lower for industrial land than for sites in other uses, thereby allowing higher levels of affordable housing and new social infrastructure to be provided. The recognition that there are significant additional costs involved in re-providing industrial capacity, gave rise to a Minor Suggested Change that sets the threshold at 35 per cent on such schemes.<sup>12</sup>
- 24.21 Under the terms of Policies E4-E7 and paragraph 6.4.5B, sites with surplus utilities and land for transport functions are not obliged to re-provide industrial floorspace capacity. This approach is supported in Policy H1B 2 (d), which recognises the potential role of surplus utilities sites in meeting London's housing need. Under Policy H6 B, the affordable housing threshold for such sites is determined according to the level of industrial floorspace capacity re-provided. So, for surplus utilities and land for transport sites that re-provide the equivalent of a 65 per cent plot ratio or greater of industrial floorspace capacity, a 35 per cent affordable housing threshold will apply (Policy H6 B 1), whereas for those sites re-providing less than a 65 per cent plot ratio of industrial floorspace capacity, the 50 per cent affordable housing threshold will

<sup>9</sup> Land that is owned or in use by a public-sector organisation, or company or organisation in public ownership, or land that has been released from public ownership and on which housing development is proposed.

<sup>10</sup> NLP/EC/006: AECOM, London Industrial Land Supply and Economy Study, March 2016; and NLP/EC/003: CAG Consultants *et al*, London Industrial Demand Study, October 2017

<sup>11</sup> Policies E4 to E7

<sup>12</sup> NLP/CD/09: GLA, Table of changes – Minor Suggested Changes, August 2018, MSC.4.68

apply (Policy H6 B 3). A further suggested change is being proposed to clarify this (see M24.1 and M24.2 in Appendix 1). In addition, a change is being suggested that recognises that some of these surplus utilities sites face extraordinary decontamination, enabling or remediation costs and where this can be robustly demonstrated through evidence (including full viability evidence) it may be appropriate to apply an affordable housing threshold of 35 per cent (see M24.2).

24.22 The London Plan Viability Study found that 50 per cent affordable housing is deliverable on industrial land in most parts of London where industrial capacity is not re-provided. The study also tested intensification typologies with a mix of industrial and residential uses. These were found to be viable in mid-value areas<sup>13</sup>, with less viability in low-value areas. The threshold approach set out in Policy H6, combined with Policy DF1, ensures that genuine barriers to delivery, which may exist on certain sites or in certain areas of London, can be accounted for when assessing the maximum level of affordable housing that should be delivered.

**e) In requiring on site affordable housing generally, would the policy provide adequate flexibility to take account of local circumstances?**

24.23 Yes. Creating mixed and inclusive communities is at the heart of the draft Plan, and is set out in Policy GG4, Chapter 3 and Chapter 4. Mixing tenures through on-site affordable housing is a key tool to deliver mixed and inclusive communities, and this approach is consistent with the aims of the 2012 NPPF<sup>14</sup>. Moreover, on-site affordable housing delivery provides an effective way of ensuring affordable housing is delivered in a timely manner in terms of the phasing of the permission. Off-site delivery and in-lieu payments risk delivery as they depend on the availability of suitable sites, which may not materialise. This notwithstanding, Policy H5 provides for off-site delivery or in-lieu payments in exceptional circumstances, including for schemes providing 25 homes or fewer.

**f) Overall, does the approach taken in Policy H5 provide sufficient flexibility to take account of local circumstances?**

24.24 Yes. The threshold approach provides flexibility to enable development to proceed where affordable housing requirements cannot be met for genuine reasons of viability.

**g) Would the policy be effective in delivering the affordable homes needed?**

24.25 Yes, the approach will be effective in delivering more affordable homes through the planning system. It strikes a balance between delivering the affordable homes needed and the requirement of the 2012 NPPF to not impose cumulative burdens that could put delivery of the plan at serious risk.

**Policy H6 *Threshold Approach to Applications***

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<sup>13</sup> These typologies were not tested in the high residential value areas given that industrial uses are less prevalent in these locations.

<sup>14</sup> NLP/GD/03: DCLG, NPPF 2012, Paragraphs 7, 50 & 69

**a) Would the threshold approach to viability, with a fast track route and viability tested route, as set out in policy H6, be justified and effective? Would the threshold level of affordable housing as set out in Policy H6B be justified and effective?**

- 24.26 Yes. The 2012 NPPF requires plan-makers to pay careful attention to viability to ensure cumulative policy requirements do not undermine the deliverability of plans.<sup>15</sup> The aim of the threshold approach is to reverse the low levels of affordable housing that have been secured and delivered over recent years and to address public concerns regarding the operation of the viability testing process. It does so by providing an incentive to deliver a certain level of affordable housing upfront. The threshold approach is consistent with national policy because the threshold has been set at a level that reflects prevailing viability conditions across London. The VTR provides a route to achieve planning permission for schemes that cannot meet the relevant threshold for genuine reasons of viability. Schemes in this category should submit detailed viability information for scrutiny following the methodology set out in the Mayor's guidance.<sup>16</sup>
- 24.27 The FTR provides an alternative route to achieve planning permission that avoids protracted viability debates, speeding up the development management process and getting more homes, including more affordable homes, built. The FTR will also incentivise developers to formulate bids for land that take full account of planning policy requirements. Recent reports confirm that developers are beginning to factor the Mayor's affordable housing thresholds into land values.<sup>17</sup>
- 24.28 Thorough consultation on the supplementary planning guidance (SPG) and the draft London Plan, developers indicated support for the approach, particularly regarding the certainty the approach provides.

**b) Would it provide a framework to increase delivery of affordable homes to meet the full range of identified need?**

- 24.29 Yes. A key element of the threshold approach is the incentive it provides to accelerate the delivery of homes. All schemes are required to submit to an early stage viability review, which incentivises rapid construction. Applicants are also incentivised to meet the relevant threshold, with the required affordable housing tenure split, at the application stage because FTR schemes are not subject to late stage viability reviews. Moreover, the threshold approach is about securing affordable housing through planning obligations. Additional affordable housing will also be delivered via grant and all applicants are expected to demonstrate that they have sought to increase affordable housing by use of grant.
- 24.30 For these reasons the threshold approach provides an effective contribution towards meeting London's affordable housing needs, both in increasing the amount and proportion of affordable homes secured and in incentivising the rapid delivery of consented schemes. It is important to note that Policy H6 and Policy H7 work together

<sup>15</sup> NLP/GD/03: DCLG, NPPF 2012, Paragraph 173

<sup>16</sup> NLP/HOU/004: Mayor of London, Affordable Housing and viability Supplementary Planning Guidance, August 2017

<sup>17</sup> Savills, [Market in Minutes: UK residential development land](#), May 2018

to provide a range of affordable housing products to meet a range of affordable housing needs.

**c) Would the approach taken to scheme amendments be effective in increasing delivery of affordable homes?**

24.31 Yes. The Policy will ensure that any applications for scheme amendments that benefit a scheme financially will contribute towards an uplift in affordable housing contributions. This approach carries forward the FTR for scheme amendments and allows for officer judgement over whether scheme amendments materially alter the economic circumstances of a scheme.

**d) Would the approach taken to determining benchmark land value be justified?**

24.32 Yes. The method used to establish a benchmark land value is extremely important because it determines whether a scheme is viable or not – i.e. whether a proposal can meet affordable housing requirements. A development is typically deemed to be viable if the residual land value is equal to or higher than the benchmark land value. Policy H6 clarifies that the Existing Use Value Plus (EUV+) approach to determining the benchmark land value is usually the most appropriate approach for planning purposes. This means the landowner should usually receive the value of their land in its existing use plus a premium to incentivise the sale.

24.33 This is consistent with the 2018 PPG, which clarifies that ‘the premium should provide a reasonable incentive, in comparison with other options available, for the landowner to sell land for development while allowing a sufficient contribution to comply with policy requirements. This approach is often called ‘existing use value plus’ (EUV+)’.<sup>18</sup> This is a key requirement because if it is assumed that the granting of planning permission will increase the value of the site, but the costs of meeting planning requirements are not factored in, the site will be overvalued.

**e) Would the requirement to seek grant to increase the level of affordable housing to access the fast track route be effective in increasing speed of delivery?**

24.34 The requirement to seek to increase affordable housing through the use of grant will accelerate scheme delivery as developers are likely to secure a registered provider development partner at an early stage of the development process and can therefore ensure the right affordable homes are being built for the provider’s portfolio. In many cases, augmenting affordable housing using affordable housing grant improves the viability and risk profile of a scheme through pre-sales to affordable housing providers.

**f) Would the review mechanism as set out in Policy H6E2 be justified and effective in increasing delivery?**

24.35 Yes; the use of viability review mechanisms has become established practice as a tool to maximise the delivery of affordable housing for several reasons. The innate

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<sup>18</sup> MHCLG, PPG, Paragraph: 013 Reference ID: 10-013-20180724 Revision date: 24 07 2018

uncertainty regarding development values and costs at application stage, together with concerns relating to the reliability of the assessment process – which can be based on a series of conservative assumptions that may be individually reasonable but collectively produce an unrealistically negative picture of scheme viability – can be addressed by a viability review when the development is being progressed. While not an alternative to robust assessment at application stage, this approach can give confidence to the decision-maker that improvements in scheme viability will result in improved affordable housing contributions post-consent.

- 24.36 Key to the incentive of the threshold approach is that there is no requirement for viability information where the criteria of the FTR are met, and that there a late stage review is not required. Applicants that are unable to deliver the relevant threshold level of affordable housing will need to provide detailed viability information and will be subject to a late stage review. This approach allows development proposals that are unable to meet the relevant threshold level of affordable housing at application stage for genuine reasons of viability to progress.
- 24.37 Viability reviews assess actual values and costs at a late stage in the development process when these key viability inputs are known. Where additional affordable housing can be supported, the late stage review helps to ensure that a greater contribution is delivered than that which was offered at application stage. Where the scheme is legitimately unable to deliver more affordable housing because the target level of developer’s return has not been achieved, there is no requirement to provide further affordable housing contributions. The inclusion of a ‘policy cap’, after which all surplus profits<sup>19</sup> are retained by the applicant, ensures viability reviews do not constitute an open-ended profit sharing arrangement.
- 24.38 Because viability reviews allow for the target level of profit to be achieved, late stage reviews do not increase risk, prevent finance from being secured or risk the delivery of development. In addition, viability reviews are structured to allow for a share of surplus profit to be retained by the developer in late stage reviews. This ensures that developers remain incentivised to maximise scheme value.
- 24.39 All schemes are subject to an early stage review if an agreed level of progress (which will vary depending on the nature and scale of the scheme) has not been achieved following an agreed period after consent (again, this will vary depending on the nature and scale of the scheme). This is to help ensure that the assessment of viability remains up-to-date where there is a delay in implementation and provides an incentive to implement and complete permitted schemes within reasonable timeframes. This is particularly important in light of the number of permitted schemes in the pipeline compared to completion rates. The pipeline of homes approved but not yet completed has grown year on year, reaching a net total of 282,000 in 2016/17.<sup>20</sup> This figure has more than doubled in a decade.
- 24.40 Government guidance has recently clarified that review mechanisms are not a tool to protect a return to the developer, but to strengthen local authorities’ ability to seek compliance with relevant policies over the lifetime of the project.<sup>21</sup> This is consistent with the approach to viability reviews taken in the draft Plan.

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<sup>19</sup> ‘Surplus profit’ refers to profits in excess of the developer’s target return.

<sup>20</sup> NLP/MO/001: Mayor of London, Annual Monitoring Report, September 2018

<sup>21</sup> MHCLG, PPG, Paragraph: 009 Reference ID: 10-009-20180724 Revision date: 24 07 2018

**Policy H7 Affordable Housing Tenure**

- a) **Would Policy H7 be effective in delivering the tenure of affordable housing to meet the objectives of Policy GG4?**
- b) **In light of the identified need for low cost rental homes, would the split of affordable products in this policy be justified and effective? Would it provide sufficiently for boroughs to determine tenure locally to meet local needs and reflect local circumstances?**

24.41 Policy GG4 commits to ensuring that a range of affordable housing tenures are delivered, to create mixed and inclusive communities whilst supporting the delivery of at least 50 per cent of new homes as genuinely affordable. Policy H7 strikes a balance between ensuring London’s strategic housing needs are met and providing for boroughs to meet local needs, ensuring that there is flexibility to account for localised variations in viability. The policy sets the split at a minimum of 30 per cent low cost rent and 30 per cent intermediate products, with the remainder for the local planning authority to determine. The presumption is that the remainder will be focused on low cost rent, given the level of need identified in the SHMA. However, in some circumstances a greater provision of intermediate tenure homes may be appropriate, given viability constraints and the need to achieve at least 35 per cent affordable housing, or because it would better meet local affordable housing needs and deliver mixed and inclusive communities.

24.42 In light of the objectively-identified need for a greater proportion of new affordable homes to be provided at low cost rent, it is proposed that policy H7 is amended to provide for applicants to benefit from the FTR where they elect to provide low cost rented homes in place of intermediate homes, provided the relevant threshold level is reached (See Appendix for proposed amendments to Policy H7).

24.43 To incentivise delivery of schemes with a high proportion of affordable housing, proposals with 75 per cent or more intermediate housing can qualify for the FTR (See Policy H6) where supported by the borough and, where relevant, the Mayor, as being genuinely affordable.

24.44 The draft Plan commits to reviewing the 35 per cent threshold in 2021, when a new funding round will also be in place and the threshold approach will have been operating for 4 years. The minimum tenure requirements will be reviewed as part of this process.

- c) **Would the preferred affordable housing tenures be justified and effective in meeting identified need?**

24.45 Yes, the Mayor’s preferred affordable housing tenures are justified because they are genuinely affordable to their intended occupants, while still ensuring a range of tenure options. All of the preferred tenures are consistent with the 2012 NPPF’s definition of affordable housing. Focusing on genuinely affordable tenures is consistent with the 2012 NPPF requirement to meet the full, objectively-assessed needs for affordable

housing in the housing market area.<sup>22</sup> This could not be achieved by accepting all products that are deemed 'affordable' under the national planning policy definition, yet which, in London, are unaffordable to their occupants. It is for this reason that the affordable housing tenure requirements in the draft Plan are more restrictive than the 2012 NPPF definition. For example, the Mayor considers that Affordable Rent is generally not genuinely affordable unless the rent levels are capped at his London Affordable Rent (LAR) levels.

**d) Would the mechanism for review of the preferred tenures through supplementary planning guidance in 2021 be justified and effective?**

24.46 Yes. 2021 is an appropriate date to review the preferred tenure splits because the approach will have been in place for a number of years, meaning its effectiveness can then reasonably be reviewed and assessed. In addition, the Mayor's current affordable housing funding settlement ends in 2021, and any new funding settlement may have implications for the tenure split. Updating the preferred tenure thresholds through supplementary planning guidance provides a streamlined and effective mechanism to secure the optimum housing mix, and any proposed updates will undergo a formal period of consultation prior to adoption.

**Policy H8 *Monitoring Affordable Housing***

**a) Would Policy H8 provide an effective framework for boroughs to monitor affordable housing?**

24.47 Yes. The boroughs are uniquely placed to monitor affordable housing secured through S106 agreement. The GLA maintains a database<sup>23</sup> to ensure that affordable housing monitoring is consistent across London.

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<sup>22</sup> NLP/GD/03: DCLG, NPPF 2012, Paragraph 47

<sup>23</sup> [The London Development Database](#)

## Appendix 1: M24 Further Suggested Changes

The Mayor is suggesting the following further changes to Policy H7 and the supporting text of Policy H6:

- **Bold blue** – new text
- ~~Blue strikethrough~~ – deleted original plan text
- ~~Purple strikethrough~~ – deleted minor suggested change text
- **Bold purple**- reinstated original text
- ~~Red strike through~~ – minor suggested change
- **Red bold** -minor suggested change

Change ref no	Policy/para /table/map	Further suggested change
M24.1	4.6.6	Given the difference in values between industrial and residential development, <del>where all</del> <b>residential development proposals that would result in a net loss of industrial floorspace capacity<sup>46E</sup> on Strategic Industrial Locations, Locally Significant Industrial Sites or <del>other industrial sites are</del> <b>Non-Designated Industrial Sites</b> deemed acceptable for release (see Policy E7 Intensification, co-location and substitution of land for industry, logistics and services to support London's economic function); they are expected to <del>deliver a higher level of</del> <b>provide at least 50 per cent</b> affordable housing <b>to follow the Fast Track Route</b>. If this is not possible, detailed viability evidence will be needed to justify a lower level of affordable housing. <del>Therefore, to follow the Fast Track Route industrial sites will need to meet the 50 per cent threshold.</del></b>
M24.2	<b>46E</b>	<b>Floorspace capacity is defined here as either the existing industrial and warehousing floorspace on site or the potential industrial and warehousing floorspace that could be accommodated on site at a 65 per cent plot ratio, whichever is the greater. For the purposes of Policy H6, this floorspace-based approach applies to sites used for utilities infrastructure or land for transport functions that are no longer required, regardless of the provisions of paragraph 6.4.5B. However, it is recognised that some surplus utilities sites are subject to substantial decontamination, enabling and remediation costs. If it is robustly demonstrated that extraordinary decontamination, enabling or remediation costs must be incurred to bring a surplus utilities site forward for development, then a 35 percent affordable housing threshold could be applied, subject to detailed evidence, including viability evidence, being made available.</b>

Change ref no	Policy/para /table/map	Further suggested change
M24.3	<b>H7 B</b>	<p><del>Only schemes delivering the threshold level of affordable housing with a tenure split that meets the requirements set out in part A can follow the Fast Track Route for viability</del> <b>To follow the Fast Track Route the tenure of 35 per cent of homes must meet the requirements set out in part A. The Fast Tack Route is also available to applicants that elect to provide low cost rented homes in place of intermediate homes, provided the relevant threshold level is reached. Where affordable homes are provided above 35 per cent, their tenure is flexible, provided the homes are genuinely affordable (defined in H7A1 and H7A2), and should take into account the need to maximise affordable housing provision, along with any preference of applicants to propose a particular tenure.</b></p>
M24.4	4.7.8	<p>Currently all intermediate rented products such as London Living Rent and Discounted Market Rent should be affordable to households on incomes of up to £60,000. Intermediate ownership products such as London Shared Ownership and Discounted Market Sale (where they meet the definition of affordable housing), should be affordable to households on incomes of up to £90,000. Further information on the income caps and how they are applied can be found in the Annual Monitoring Report. The caps will be reviewed and updated where necessary in the Annual Monitoring Report. <b>For London Living Rent – please refer to the rent setting guidance provided on the GLA website.</b></p>