

Appendix 2 – Housing

1. This paper summarises the potential policy approaches which could be taken in relation to residential development.

Context

2. The City has a long-standing residential community which adds vibrancy and character to the City and encourages vitality and supports retail businesses. The provision of additional housing in the City contributes to meeting the London wide need for housing, including the need for housing for City workers. Accommodation includes provision for permanent residents, temporary sleeping accommodation, student accommodation and housing for the elderly. Residential accommodation is concentrated in the City's housing estates at the Barbican, Golden Lane, Middlesex Street and Mansell Street estates. Accommodation outside the estates has been directed, through planning policy, to a number of identified areas around the edges of the City, to avoid locating accommodation where it could disrupt the City's business function.
3. The City's residential population is very small in comparison to the daily working population. The GLA's 2015 projections suggest that the City's population will increase from approximately 8,000 in 2014 to 9,705 by 2026. Although the housing stock has increased in recent years and stands at around 7,000 units, the residential population has not increased proportionately, due to many homes being used as second homes by people who consider their main residence to be outside the City.
4. The nature of London's residential market is gradually evolving, with inflated prices and lack of supply making it difficult for many people to get a foothold on the property ladder. There is an acknowledged need for more affordable housing across London. Alternative types of housing are emerging such as communal living arrangements with bedrooms, Pocket living flats which are well-designed but do not meet London Plan space standards and build-to-rent developments which provide purpose-built rental accommodation.

Current policy position

5. The current Local Plan seeks to protect existing residential accommodation and to meet the London Plan's former target for the City of 110 additional units per annum. This target has subsequently increased to 141 additional homes per annum (a figure that has yet to be incorporated into the City's Local Plan), and is likely to change again in the forthcoming Draft London Plan. New housing should be located on suitable sites in or near the residential areas identified in the Local Plan.
6. The current Local Plan seeks the provision of 30% affordable housing on-site. Alternatively, 60% affordable housing may be provided off-site, or equivalent cash-in-lieu, if it is demonstrated that on-site provision is not viable.

7. Policies seek to protect the existing housing stock and the amenity of existing residents, while ensuring office development is not compromised by residential development. There are also policies relating to housing standards, temporary sleeping accommodation and student housing.

Housing delivery

8. Housing delivery in the City is currently well ahead of the 141 units a year target and is likely to remain so in the next few years as a result of major schemes under construction, particularly the Barts Square and Sugar Quay developments. In the longer term, the capacity of the City to accommodate new housing may reduce, particularly as the stock of older domestic scale office buildings suitable for conversion or redevelopment to residential has diminished.
9. The Mayor has recently undertaken a review of London's Strategic Housing Land Availability Assessment (SHLAA) and this will form the basis for the revised housing targets set for the City and all the London boroughs in the forthcoming Draft London Plan. Draft targets from the SHLAA are due to be sent to the City and London Boroughs shortly.
10. At the outset of work on the new Local Plan, the City Corporation commissioned a Strategic Housing Market Assessment to consider future housing needs. This suggested that there is an annual need for 126 residential units a year. The Government has recently published a new national housing need methodology for consultation, and using this methodology the annualised housing need in the City would be 120 units a year, lower than the current target for the City in the London Plan.
11. **The Sub-Committee is asked to comment on whether it considers that a lower housing target should be sought from the GLA, or whether the Local Plan should seek to provide the minimum level of housing required by the London Plan, or whether there is any desire to provide more housing as a contribution to meeting London's wider housing needs.**

Affordable housing

12. While the current Local Plan indicates that affordable housing should be provided on site in line with London Plan policy, in practice it is almost always provided outside the City in neighbouring boroughs using cash-in-lieu payments from housing and office developments within the City. To date this approach has been accepted by the GLA as a sensible response to the scarcity of land and the high cost of developing housing in the City, but there are growing concerns at the failure to deliver new affordable housing on sites within the City.
13. The Mayor has recently published a new Affordable Housing and Viability SPG which places greater emphasis on the delivery of affordable housing on-

site, requires a higher contribution towards affordable housing of 35% and a tighter regime for the assessment of developer viability appraisals.

- 14. The Sub-Committee is invited to comment on whether the Local Plan should continue the current approach or provide a stronger policy steer requiring affordable housing to be provided on-site.**

Location and type of residential accommodation

15. The current Local Plan guides residential development to the ten areas considered suitable for housing, based on minimal disruption to the business City and the expectation that clustered accommodation can benefit from better amenity and access to services. This approach has been largely successful, although it has proved difficult to eliminate disturbance to residents in the designated areas from facilities serving the night-time economy.
16. An issue for the new Plan is whether we should continue to cluster residential accommodation in specified areas or whether it should in principle be allowed throughout the City. Current policy also prevents permanent residential accommodation from being provided in the same building with other land uses.
- 17. The Sub-Committee is asked to comment on whether housing development should continue to be focused in the identified residential areas, or whether there is any desire to allow residential units to be provided in other parts of the City perhaps within mixed-use developments?**
- 18. The Sub-Committee is also invited to comment on whether the Local Plan should provide greater protection for residential amenity (including noise and daylight and sunlight) and how this can be achieved whilst also delivering the aims of a business City and an increasingly active night-time economy.**
19. In terms of the types of housing required, the City's SHMA indicates a need for both housing suitable for families and for smaller households. The Local Plan will also need to consider whether specific provision should be made for older people and for students. The Plan will also need to consider the approach to short-term lettings. Legislation allows homeowners to let their properties for up to 90 days in a calendar year without the need for planning permission. Beyond 90 days permission is required. Current policy restricts short-term lets and does not allow a mix of short-term lets and permanent residential within the same building.
- 20. The Sub-Committee is asked to comment on whether the Local Plan should seek to meet specific housing needs and whether a more flexible approach should be taken to short-term lets.**