

Appendix 1 – draft policies on Housing

Context

The residential population of the City, estimated to be 8,800, is small in comparison to the daily working population in excess of 400,000. The GLA's 2016 projections suggest that the City's population (excluding those with main homes elsewhere) will have a modest increase to approximately 10,000 by 2036. When the City's housing stock increases the resident population level does not increase in proportion as many residential units are used as second homes or for temporary sleeping accommodation. The 2011 Census indicated that there were 1,400 second homes in the City of London.

The majority of the City's housing is concentrated around the edge of the City in four estates (the Barbican, Golden Lane, Middlesex Street and Mansell Street). Other residential clusters are located in Smithfield, the Temples, parts of the riverside (Queenhithe), Fleet Street (City West), Carter Lane and around Botolph Lane. Most residential units developed in the City are flats with one or two bedrooms, which is consistent with the need assessment of unit sizes recommended in the City of London Strategic Housing Market Assessment (SHMA) 2016. There have also been a number of developments providing shorter term accommodation (short lets or serviced apartments).

Most new residential development has been located in or near existing residential areas in accordance with Local Plan policy. This allows greater opportunities for protecting residential amenity and delivering a high quality residential environment. Residential clustering reduces potential conflict with commercial and office uses, and the areas are more easily serviced with facilities required by residents.

References to housing in this Plan include market, intermediate and affordable housing, hostels, sheltered and special needs housing, and purpose-built student accommodation at a ratio of three bedrooms to one conventional housing unit, in accordance with the London Plan's definition.

Housing requirement

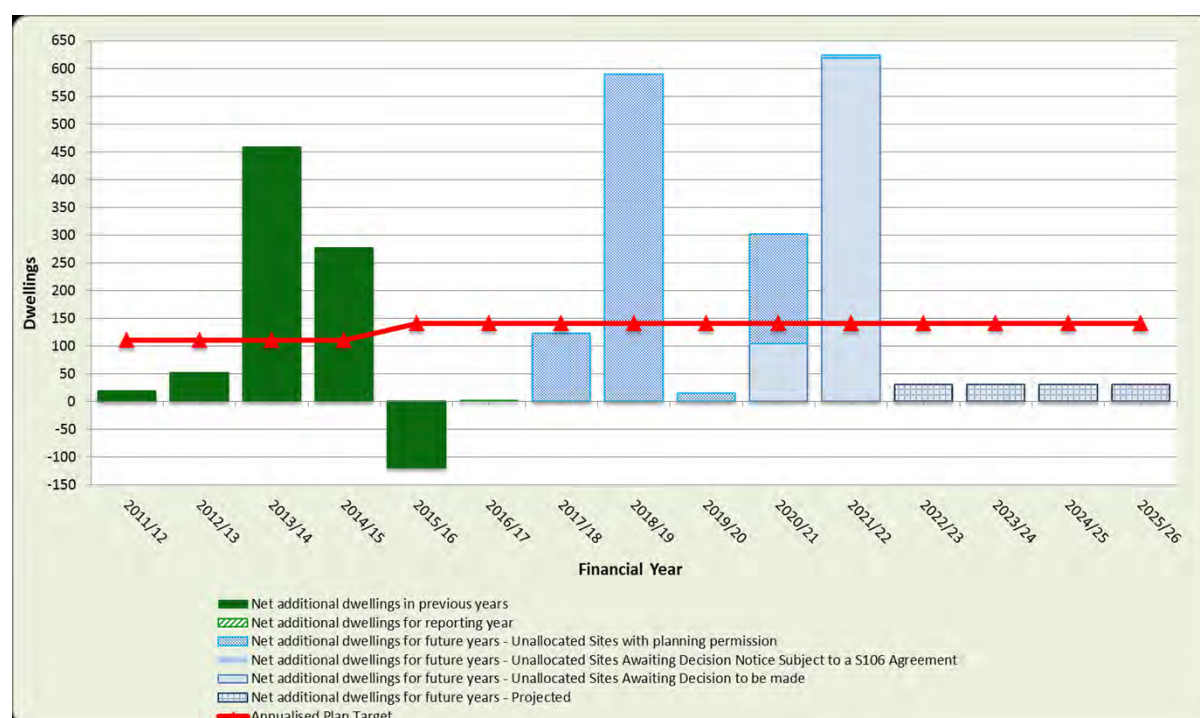
The City's annual housing requirement has varied in recent years in the range 120-146 dwellings depending on the source and assumptions made. The 2015 Local Plan seeks to exceed the London Plan minimum annual housing requirement. This was set at 110 dwellings per year at the time the Local Plan was adopted, but was subsequently increased in the London Plan 2016 to 141 dwellings per year. The draft London Plan 2017 raised this requirement to 146 units a year during the period 2019/20 – 2028/29, with the annual average rate continuing beyond 2028/29 until such time as the London Plan is further reviewed. The draft London Plan 2017 also included a target that an annual average of 74 units should be provided on small sites of less than 0.25 hectares in size.

The City's 2016 SHMA assessed the level of housing need over the period 2014-36, using the latest population and household projections, and identified an objectively

assessed need for an annual average of 126 dwellings per year. In September 2017, the Government published a consultation paper 'Planning for the Right Homes in the Right Places', which set out an indicative housing need target for each local planning authority in the country, based on a proposed new national methodology. This methodology suggested that the level of housing need in the City between 2016 and 2026 was 120 dwellings per annum.

The City Corporation has adopted a Housing Strategy which aims to deliver 3,700 new homes on City-owned land and housing estates, in recognition of the need for additional housing across London to meet housing needs. The City Corporation considers that the wider housing needs across London support the case for a higher level of housing in the City than indicated by the City's own SHMA or the proposed national methodology. This draft Local Plan therefore seeks to meet the draft London Plan housing target of 146 dwellings per year.

The City Corporation's Housing Trajectory shows that the supply of small windfall sites, together with large sites in the development pipeline, will provide sufficient capacity to meet the London Plan annual average monitoring target of 146 additional homes per year (see Figure Y below). It is anticipated that there will be a sufficient supply of housing to achieve targets up to 2036 on the basis of sites in the development pipeline and past trends.



City of London Housing Trajectory 2017

The size and commercial character of the City mean that new housing development has been delivered through 'windfall' development rather than through the allocation of sites. Past evidence demonstrates that the reliance on windfalls has delivered a steady stream of new housing, meeting and exceeding target requirements. It is anticipated that windfalls will continue to deliver the majority of housing.

The Mayor of London prepares a Strategic Housing Land Availability Assessment (SHLAA) for London, providing guidance on the amount of land potentially available in the City for residential development. The City Corporation has also published a brownfield land register on its website, identifying land that is suitable for residential development in accordance with government requirements.

The City Corporation will continue to support the delivery of new market and affordable housing on its own housing estates and other appropriate land holdings outside the Square Mile in fulfilment of its ambition to deliver 3,700 new homes and contribute towards the delivery of new housing to meet London's wider housing needs.

Affordable Housing

There is a presumption in national policy and the London Plan that new affordable housing should be provided on site. The City Corporation will expect developers to deliver affordable housing on new housing sites above the affordable housing threshold unless it can be demonstrated through robust assessments that on-site provision is not feasible or viable.

As land within the City is an expensive and limited resource, the City Corporation also works with housing partners to deliver new affordable housing on sites in the City fringe and in neighbouring boroughs, principally on City Corporation housing estates, utilising commuted sums from commercial and housing developments within the City. This approach has been supported by the GLA and provides affordable housing in locations in or near the City that meet local housing need, whilst making the best use of scarce City land for strategically important commercial activity.

The City Corporation requires commercial development to make a financial contribution towards affordable housing delivery instead of delivering mixed use development including housing on commercial sites. These contributions are used to deliver new affordable housing principally on City Corporation housing estates within and outside the City of London.

The draft London Plan and the Mayor's adopted Affordable Housing and Viability SPG set a strategic target for 50% of all new homes across London to be affordable, with a minimum threshold of 35% affordable housing on all developments comprising more than 10 units or which have a combined floorspace greater than 1,000m². Schemes which meet or exceed 35% affordable housing are not required to submit viability information.

In light of the Mayor's approach and the shortage of available affordable housing to meet the needs of London's workforce, the level of affordable housing sought on residential schemes in the City is increased from 30% to a minimum of 35% on-site in this Plan, with an ambition to deliver higher levels of affordable housing where this is viable. Where off-site provision or cash in lieu contributions is considered to be acceptable in principle, 60% affordable housing will be sought to avoid creating a financial benefit to the applicant relative to on-site provision.

Developments which propose lower levels of affordable housing will need to be supported by robust viability assessments. These assessments will be published alongside other publicly accessible planning application information on the City Corporation's website. The City Corporation will also commission an independent review of submitted assessments, with the cost of this review being met by the applicant. Consideration of viability and overall levels of affordable housing should take place at pre-application stage to avoid unnecessary delays in the determination of submitted planning applications.

In accordance with the principle of a plan-led system, it is reasonable to expect that land values will reflect the policy requirements of the development plan and, in particular, the full policy requirement for affordable housing. If a developer overpays for a site, this will not in itself be regarded as an appropriate justification for failing to meet the affordable housing target.

Where a viability assessment demonstrates that the Plan's affordable housing targets cannot be met, the City Corporation will normally require an upwards only review mechanism to be included within any s106 planning obligation to ensure that any increases in scheme value or reduction in cost are appropriately reflected in increased affordable housing contributions. The detailed wording and timing of these review mechanisms will be determined on a case by case basis, having regard to City Corporation Supplementary Planning Guidance and guidance prepared by the Mayor in support of the London Plan.

Various types of affordable housing products are included within the national definition of affordable housing. The draft London Plan indicates that a minimum of 30% should be low cost rented homes, including social rent and London affordable rent, and a minimum of 30% should be intermediate products, such as shared ownership. The remaining 40% should be determined by the relevant borough based on identified need. The City's SHMA found that the need for intermediate housing products was relatively low and that social rented units would most successfully address the City's affordable housing needs. Therefore, the tenure of affordable housing sought in the City will be weighted towards low cost rented accommodation in the proportion 70% affordable and 30% intermediate.

Gypsy and traveller accommodation

The draft London Plan indicates that, in the absence of an up to date local gypsy and traveller needs assessment, needs should be assessed using the mid point figure of need in the GLA's 2017 Gypsy and Traveller Accommodation Topic Paper. This indicated that there is no need for specific gypsy and traveller accommodation in the City of London. This assessment is consistent with earlier assessments undertaken by the Mayor.

CS XX: Housing

The City Corporation will protect existing housing and amenity, and provide additional housing in the City concentrated in or near identified residential areas to meet the City's needs. This will be achieved by:

1. Making provision for an annual requirement of 146 additional residential units in the City up to 2036 by:
 - (i) guiding new housing development to sites in or near identified residential areas;
 - (ii) protecting existing housing where it is of a suitable quality and in a suitable location;
 - (iii) exceptionally, allowing the loss of isolated residential units where there is a poor level of amenity;
 - (iv) refusing new housing where it would prejudice the primary business function of the City or be contrary to Policy DM XX.
2. Ensuring sufficient affordable housing is provided to meet the City's housing need and contributing to London's wider housing needs by requiring residential developments with the potential for more than 10 units to:
 - (i) provide a minimum of 35% affordable housing on-site;
 - (ii) exceptionally, provide 60% of affordable housing off-site, or equivalent cash-in-lieu, if evidence is provided to the City Corporation's satisfaction that on-site provision is not feasible or viable;
 - (iii) provide 70% of affordable units as social or London affordable rented housing and 30% as intermediate housing (living rent, shared ownership or other genuinely affordable products) for rent or sale.
3. Requiring a publicly-accessible viability and feasibility assessment to be submitted to justify any proposals that do not meet on-site or off-site affordable housing requirements in this policy. Where policy targets are not able to be met when an application is decided, the City Corporation will require an upwards only review mechanism to be applied to ensure that the benefits of any subsequent uplift in values or reduction in costs are reflected in affordable housing contributions.
4. Providing affordable housing off-site, including the purchase of existing residential properties on the open market to meet identified housing needs such as large units for families.
5. Requiring 10% of new dwellings to meet Building Regulation requirement M4(3) 'wheelchair user dwellings' and 90% of new dwellings to meet Building Regulation requirement M4(2) 'accessible and adaptable dwellings'.

Reason for the policy

London has a severe housing shortage caused by a growing population and inadequate supply of housing units. The lack of suitable and affordable housing has been identified by many businesses and business groups as a key constraint to

further economic development and investment. The scale of housing proposed will contribute towards meeting local and wider London housing needs whilst still ensuring that the City remains predominantly a commercial office centre of national importance.

New housing in the City may be suitable for people that need to live near their workplace, especially key workers. Housing located in the City can address local housing need and make a modest contribution to alleviating the housing shortage in London and relieving pressure on the transport system.

The London Plan includes a detailed policy which supports Build to Rent developments. Build to Rent accommodation is specifically designed for renting and is typically owned by institutional investors.

Policy DM XX: Location of New Housing

1. New housing should be located on suitable sites in or near identified residential areas. Within these areas a mix of appropriate residential, commercial and other uses will be permitted.
2. New housing will be permitted where it will not:
 - prejudice the primary business function of the City, as set out in policy DM XX;
 - inhibit the development potential or business activity in neighbouring commercial buildings and sites; and
 - result in poor residential amenity within existing and proposed development, including excessive noise or disturbance.
3. Where existing residential estates are being redeveloped, the existing affordable housing on-site must be reprovided with at least the equivalent floorspace and tenure of affordable housing. Affordable housing which is reprovided must be offered to existing tenants at rents and service charges equivalent to those in the properties being replaced.



Figure X: Residential areas

Reason for the policy

The City is a busy and sometimes noisy place, with a high density of development and business activity 24 hours a day, 7 days a week which has the potential to cause disturbance to residents. Large parts of the City are unsuitable for new housing because they could have an adverse impact on the City's primary business role and its ability to operate 24/7 and would be likely to have poor residential amenity. The draft London Plan indicates that residential development is inappropriate in the commercial core of the City and that elsewhere in the City, the strategic commercial and cultural functions of the Central Activities Zone should be given greater weight than residential development.

The City's policy approach is therefore to locate new housing within or near the existing residential clusters shown in Figure X, where reasonable residential amenity consistent with a central London location can be achieved. This approach helps to minimise disturbance to residents within the clusters, while reducing potential conflict with the development and operation of commercial uses.

Due to the size and unique character of the City, all new housing has come forward on 'windfall' brownfield sites through the redevelopment or conversion of existing buildings as opportunities arise. There has been no need to allocate sites in the Local Plan to meet housing targets and this pattern of housing delivery is projected to continue throughout the life of this new Plan.

How the policy works

To accord with policy DM XX, applicants proposing the redevelopment or change of use of existing office accommodation must provide robust evidence to demonstrate that the site is not suitable and viable for office use and the proposal will not prejudice the primary business function of the City. Within or near the residential areas, if the City Corporation is satisfied that the loss of an office site is justified by the evidence provided, then redevelopment to provide residential use may be appropriate. Further details are set out in the Office Use SPD.

Proposed residential development will not normally be permitted along streets which have high levels of noise and air pollution unless robust evidence is submitted which demonstrates how the development will mitigate the impact of noise and pollution.

Regeneration of housing estates will often involve the redevelopment of existing homes. Existing affordable housing must be replaced at an equivalent tenure and offered to existing tenants at rents and service charges levels equivalent to those in the properties being replaced. This will help protect established local communities.

Policy DM XX: Loss of housing

1. The net loss of existing housing units will not be permitted except where:
 - they provide poor amenity to residents which cannot be improved;
 - they do not have a separate entrance;
 - large scale office development would be prejudiced by the retention of isolated residential units; or
 - exceptionally, they are located outside identified residential areas and their loss would enable beneficial development for the business City.

Reason for the policy

The net loss of existing housing will be resisted because of the limited opportunities to replace that housing stock in the City. Exceptionally the net loss of existing housing may be acceptable, particularly outside residential areas where the development of offices will have a significant beneficial impact for the City. Isolated residential units can suffer poor amenity and can be adversely affected by the operation of the business City. Housing units outside identified residential areas are more likely to suffer noise nuisance and other disturbance due to other non-residential uses being permitted in close proximity, including clubs and pubs.

Policy DM XX: Residential environment

1. Within identified residential areas, the amenity of existing residents will be protected by resisting other uses which would cause unacceptable noise disturbance, fumes and smells and vehicle or pedestrian movements likely to cause undue disturbance.
2. New noise-generating uses should be sited away from residential and related uses where possible. Where residential and other uses are located within the same development or area, adequate noise mitigation measures must be provided within the new development and, where required, planning conditions will be imposed to protect residential amenity.
3. All development proposals should be designed to avoid overlooking and seek to protect the privacy, day lighting and sun lighting levels to adjacent residential accommodation.
4. All new residential development proposals must demonstrate how potential adverse noise impacts on and between dwellings will be mitigated by housing layout, design and materials, in accordance with the 'Agent of Change' principle. This principle is also applicable when new housing proposals might otherwise constrain existing neighbouring uses.
5. The cumulative impact of individual developments on the amenity of existing residents will be considered.

Reason for the policy

The City is predominately a centre of business, with activity taking place 24 hours a day, 7 days a week. This sometimes results in noise and disturbance to residents from new commercial development and commercial activities nearby. While the City Corporation will endeavour to minimise noise and other disturbance to residents it is inevitable that living in such a densely built-up area will result in some disturbance from a variety of sources.

The avoidance of overlooking of residential accommodation is a consideration in the design and layout of both new residential buildings and other development. However due to the density of development in the City avoidance of overlooking may not always be possible.

How the policy works

The 'Agent of Change' principle makes developers responsible for addressing at the design stage the environmental and other impacts on existing neighbouring occupiers. Applicants of development near to existing residential properties should identify potential impacts on residential amenity and set out measures to mitigate those impacts within their Design and Access Statements or other supporting application documents. Where required, planning conditions will be imposed to limit hours of operation and servicing within predominantly residential areas. Policy XX addresses evening and night-time economy uses.

Policy DM XX: Housing quality standards

All new housing must be designed to a standard that facilitates the health and well-being of occupants and neighbouring occupants, and:

- meets London Plan's space standards;
- meets standards for Secured by Design or similar certification;
- maximises opportunities for providing open and leisure space for residents.

Reason for the policy

All new housing will be expected to provide well designed, high quality living environments, both internally and externally, incorporating principles of inclusive, secure and sustainable design. Housing development should comply with the requirements in the London Plan and the Mayor's London Housing Design Guide, unless it would not be feasible to do so because of site specific factors. The layout should incorporate sufficient space and facilities for waste and recycling bins.

Amenity space for residents could include gardens, roof top gardens/terraces, private balconies and the provision of new sports and recreational facilities. Play space should also be included, with regards to policy DM XX in the Healthy and Inclusive City section of the Plan. Sunlight and daylight to dwellings are addressed in the Design section of the Plan.

Policy DM XX: Short term residential letting

Short term residential letting of domestic premises for less than 90 days in a calendar year where the occupant pays council tax does not require planning permission. Short term residential letting of domestic premises for over 90 days in a calendar year requires planning permission. Short term residential lets within domestic premises will not normally be permitted as such a change of use would reduce the stock of permanent housing in the City and may adversely impact the amenity of existing residents.

Short term residential letting for any length of time in a commercial premise where the occupant does not pay council tax, requires planning permission. Short term residential letting of commercial accommodation will not be permitted unless the units are contained within a block built for this purpose and will not be permitted if mixed with permanent residential accommodation within the same building. In addition policy DMXX regarding protection of employment space will be relevant.

Where short term residential letting is permitted in commercial premises, conditions will be imposed to prevent any later changes to permanent residential use in unsuitable accommodation or locations.

Reason for the policy

A short-term residential let (or temporary sleeping accommodation) is the occupation of a property by the same person(s) for more than 90 consecutive nights. The deregulation Act 2015 states that short term residential letting of a property for more than 90 days in a calendar year requires planning permission.

Short term residential lets within domestic premises will not normally be permitted as they would reduce the stock of permanent housing in the City, possibly jeopardise housing delivery targets, and may adversely impact on the amenity of existing residents.

Short term residential letting of a property can help to meet the accommodation needs of business visitors and may be considered suitable within identified residential areas, subject to consideration of policy DM XX above. Such residential letting can have significant impacts on the amenity of neighbours by reason of noise, disturbance, and occasionally anti-social behaviour. For this reason, where such accommodation is proposed, the units should be contained in a separate block that is designed and managed for this purpose rather than forming part of a mixed block of short term and permanent residential units or short term residential lets and commercial activities.

The requirement for the provision of affordable housing in policy CS XX applies to self-contained short let residential accommodation.

Change of use of short term residential letting accommodation to permanent dwellings will normally be permitted where housing and amenity standards are met and the location accords with policy DMXX (location of new housing).

Changes of use between short-term residential letting and hotel accommodation will be considered as part of a flexible approach to address a wide range of business accommodation needs.

Policy DM XX: Student housing and hostels

1. Proposals for new student accommodation and hostels will be refused where they would:
 - prejudice the primary business function of the City, or result in the loss of office buildings or sites, contrary to policy DM XX;
 - result in an excessive concentration of student housing and/or hostels;
 - have an adverse impact on the residential amenity of the area;
 - involve the loss of permanent residential accommodation.
2. Proposals for Purpose-Built Student Accommodation (PBSA) must be supported by identified further or higher educational institutions operating in the City of London or the Central Activities Zone and must provide accommodation for their own students.
3. 35% of student housing on a site should be secured as affordable student accommodation as defined through the London Plan and associated guidance.
4. The loss of existing student housing and hostels to other suitable uses which are in accordance with other Local Plan policies will be permitted where there is no longer a need to provide accommodation for CAZ based universities or there is evidence that student accommodation is impacting on residential or business amenity.

Reason for the policy

The demand for student accommodation in London continues to grow. However, the City is primarily a commercial area and therefore opportunities for residential development are limited. Student housing may represent an opportunity lost for other housing needs in residential areas and therefore will only be permitted when supported by an identified further or higher educational institution for the housing of its own students. A section 106 agreement will be required which limits occupation to students studying at the stated further or higher education institution, in or near the City.

Every three student bedrooms in PBSA that are completed equate to meeting the same housing need as one conventional housing unit, and contribute to meeting the City's housing target at the same ratio of three bedrooms being counted as a single home.

Policy DM XX: The Temples

Within the Temples adjustments between professional and residential accommodation will be permitted where:

- the overall balance of residential and professional chambers is maintained;
- it is important to the functioning or character of the Temples, or to the continuing use of their buildings.

Reason for the policy

The Inner and Middle Temples are two of the Inns of Court which provide accommodation for the legal profession in the south west of the City between Fleet Street and the River Thames. Along with other nearby Inns of Court and the Royal Courts of Justice in Westminster, the Temples form part of a specialist legal cluster which is recognised in the London Plan.

The Temples mainly contain barristers' chambers, together with other buildings for Members of the Bar. The Inner and Middle Temples have a strong collegiate atmosphere due to the mix of residential and commercial uses. This mix of uses contributes to the historic interest and high environmental quality of the area, and should be maintained.

Policy DM XX: Older persons housing

The City Corporation will aim to ensure there is a sufficient supply of appropriate housing available for older people by;

- supporting development that meets the specific needs of older people;
- supporting development that replaces existing provision for older people with better provision that addresses care needs or fosters independent living;
- resisting development that involves the net loss of housing floorspace for older people.

Reason for the policy

The City of London has an ageing resident population profile, in line with national demographic trends. The City of London SHMA identifies a need for 67 older person units over the life of the Plan, and the London Plan has an indicative figure of 10 units per year.

Policy DM XX: Self and custom housebuilding

The City Corporation will encourage developers to consider the potential for self and custom build units within residential schemes.

Reason for the policy

The Self Build and Custom Housing Building Act 2015 requires councils to create a public register of individuals and groups who are interested in acquiring a plot to use for a self-build or custom build home. The City Corporation launched its own register for prospective self-builders in 2016.

There are no large areas of unused land in the City of London that would provide an opportunity to create serviced building plots. Furthermore, self-build and custom-build are likely to involve low density development, which would conflict with policies in the Plan which seek to maximise housing supply. Given these constraints, the City Corporation considers that the best prospect for bringing forward suitable land will be in conjunction with large housing developments where units can be built with a shell and core and individually fitted out.