



Lewisham Local Plan

Examination Hearing Sessions

**Response to Actions 21 – 23, 25 and 29
Matter 5 – Other Housing requirements
(Policies HO3 and HO5) Part 1**

Prepared to inform the Local Plan Examination

July 2024

1. Introduction

- 1.1 This Paper is one of a series that provides the London Borough of Lewisham's (the Council's) response to specific actions raised, identified, and agreed during the course of the Lewisham Local Plan Examination Hearing Sessions. The actions are agreed with the Inspectors.
- 1.2 The Paper seeks to respond to a specific request for further information made during the Examination Hearing Session that discussed questions raised under Matter 5 Other Housing Requirements. In this case the Actions were raised on Thursday 20 June 2024.

2. Policy HO 3 Affordable Housing Small Sites and Vacant Building Credit

Action 21 - Request to provide evidence of future supply and trajectory. This will be extracted from existing evidence. It is suggested that this will identify the proportion of housing that has and will be delivered; and which could contribute towards affordable housing supply.

Inspector Mulloy seeks a short paper on this matter. It was noted that this should seek to bring together a balance of arguments in respect of need versus supply from small site.

Introduction – Background

- 2.1 The new Lewisham Local Plan sets out the approach for securing new affordable housing under its Policy HO 3 Genuinely affordable housing. This provides an approach towards securing the maximum amount of genuinely affordable housing delivered on new housing developments. Significantly the Policy's Part J Small sites (minor developments) requires that *"Development proposals for new housing delivering between 2 and 9 dwelling units must make provision for affordable housing"*. The Council acknowledges that this approach diverges from that currently advised by national planning policy guidance.
- 2.2 The Council notes that the House of Commons: Written Statement (HCWS50), a written statement made by The Minister of State for Housing and Planning (Brandon Lewis) on 28 Nov 2014, provides the latest national planning policy guidance on this matter. Specifically, the Written Statement seeks to implement measures that *"...support small scale developers and help hard-working people get the home they want by reducing disproportionate burdens on developer contributions"*. Within the context of securing affordable housing provision, the Written Statement states that *"...for sites of 10-units or less, and which have a maximum combined gross floor space of 1,000 square metres, affordable housing and tariff style contributions should not be sought"*. It is unclear how successful the intervention has proved in supporting small scale developers and helping hard-working people. It is noted that the Government has not published performance monitoring data in respect of this measure. It is understood to be the case that the Written Statement has been challenged. It is within this context that the Council has prepared this response.
- 2.3 The Council's responses to Matter 5 Matters, Issues and Questions relevant to this matter are set out under its Written Statement (WS 5/1). These responses broadly fall under MIQ 5.4 – MIQ 5.19 (WS 5/1). The Council considers that they clearly demonstrate that the need for new genuinely affordable housing constitutes the most acute area of housing need in Lewisham – being significantly greater than the need for new market, or other forms of residential accommodation. Plan-making has been informed by technical evidence set out in the London Strategic Housing Market Assessment 2017 and the subsequent Lewisham Strategic Housing Market Assessment Update 2022 (EB16) (WS 5/1 MIQ 5.4 Para 5.4.1). The

technical evidence demonstrates that the number of affordable homes completed each year fluctuates. On average over the last 12 years: 55% of the affordable housing units have been genuinely affordable (IE- social rent/London affordable rent), 291 affordable housing units have been delivered each year and 28% of the total units completed each year have been affordable housing. It is likely that the number and tenure of affordable homes will continue to fluctuate in the future (WS 5/1 MIQ 5.5 Para 5.5.2).

- 2.4 Given the acute need for new genuinely affordable homes, the Council considers that an approach that seeks to secure either on-site provision, or (where it is justified) financial contributions towards provision from all new housing developments (creating 2 or more dwellings) is necessary to consistently meet need. The Council considers that the scale of need serves to justify a departure from the current national guidance set out under the Written Statement. The Council has set out its initial position under the response to Matter 5 MIQ 5.14 (WS 5/1 Paras 5.14.1 – 5.14.6). That response notes that to meet the Borough's need (for genuinely affordable homes) contributions must be sought from development of all scales; that national guidance is not absolute; and that the Written Statement continues to be challenged in places where need is acute. This additional response, agreed with the Inspectors during the course of discussion at the hearing sessions, seeks to provide further clarity on the matter. Specifically, it focuses upon the role played by the sites that are subject to the Statement in meeting need. It also provides further clarity on the impact of the policy approach on the development viability of sites comprised of nine dwellings or fewer.

Housing Land Supply – the Importance of Small Sites

- 2.5 During the course of the examination hearing sessions the presented evidence, under several of the Matters, setting out the nature the nature and scale of Lewisham's housing/development land supply. In summary, this demonstrated that the Borough's land supply reflects its predominantly urban characteristics, with many opportunities being presented on previously developed land; through the comprehensive redevelopment of sites in active use; and upon historically developed sites that have subsequently been vacated and cleared. Examples of the different sources of supply are encountered across the new Local Plan's site allocations. The Council refers to its responses to Matters 17 – 21 (WS 17/ 1 – WS 21/1); relating to Lewisham's Central, North, East, South and West; which provide an overview of many of the sources of supply. However, it is acknowledged that in the main the new Local Plan's site allocations are not representative, in terms of scale, of the sites considered by the Written Statement. Nevertheless, they are genuinely reflective of the urban site typologies encountered across Lewisham's neighbourhoods and places.
- 2.6 Within the above context the Council considers that the Written Statement relates to the smaller sites that are present across all of Lewisham's Central, North, East, South and West Areas. Whilst some of these sites, particularly those located within or adjacent to growth nodes (see new Local Plan Figure 3.3: Borough-wide Spatial Strategy plan), have the capacity to accommodate higher intensity development (that is ten dwellings or more), others will yield smaller developments.
- 2.7 The Council's responses to Matter 15 Housing Land Supply MIQ 15.1 – MIQ 15.15 (WS 15/1) provide an overview of the sources of supply that will deliver the growth anticipated by the new Local Plan. Particular reference is made to the response to Matter 15 MIQ 15.3 (WS 15/ 1 Paras 15.3.1 – 15.3.3), which speaks to the estimated supply from the diverse source of housing land supply over the plan-period. This anticipates that at least 590 new homes (2% of supply) will come from sites with existing outline or detailed planning permission for 9 or

less dwellings (small sites); and that at least a further 6,443 new homes (19% of supply) could come from windfall sources (WS 15/1 Para 15.3.3); with the latter identified as being inclusive of sites smaller than 0.25 hectares or less than 10 units. The Council considers that the supply of housing set out in the response to Matter 15 MIQ 15.3 is robust and justified. The supply has been predicated on a wide range of evidence, to determine the capacity and delivery of each site. This evidence is demonstrated in WS 15/1 Tables A.1, A.2 and A.3 in Annex A.

- 2.8 The Council's response Matter 15 MIQ 15.4 further considers the small site windfall allowance (WS 15/ 1 Paras 15.5.1 – 15.5.10). Specifically, it considers whether the annual small site windfall allowance (of 379 units per annum) is justified. The response considers the new Local Plan's approach taken towards small sites, including the small site target, to be justified. It highlights that London Plan Policy H2 Small sites states, "*Boroughs should proactively support well-designed new homes on small sites (below 0.25 hectares in size) through both planning decisions and plan-making in order to achieve the minimum targets for small sites set out in Table 4.2, as a component of the overall housing targets set out in Table 4.1*". It highlights that the Borough's small site housing target is at least 7,033 new homes on small sites (less than 0.25 hectares). This equates to 21% of the full housing supply throughout the whole Plan period, making it an important, but not the predominant, source of the overall housing supply.
- 2.9 Whilst the windfall allowance, and in concert the small-site target are ambitious, the Council has highlighted that it is taken a proactive position towards this matter. It is seeking to boost the delivery of small housing sites beyond the Borough's historic delivery levels and is doing through several interventions. In addition to the promotion of small sites through the new Local Plan's policy approach, the Council has already published, adopted, and implemented a Small Sites Supplementary Planning Document (SPD) in 2021 (EB20). It provides advice and good design guidance for those involved in preparing or reviewing planning applications for residential development on a small site in Lewisham (WS 15/ 1 Para 15.5.7). In addition to the above, the Council is taking other measures to promote and support the opportunities provided on small sites. Notably, the examination heard evidence of the innovative "prop tech" approach being applied to identifying and mapping small site opportunities that could come forward across Lewisham during the plan period. The Council considers that such an approach could unlock additional supply, secure optimal densities, and critically provide opportunities to small scale developers and help hard-working people¹.
- 2.10 In summary, the Council considers that small sites are demonstrably an important component of Lewisham's housing land supply. The Council is taking a proactive approach to ensure that the opportunities provided by this source come forward. Consequently, it is considered that this area of supply must make a proportionate contribute towards meeting the wider acute need for genuinely affordable housing. The exclusion of these sources of supply from that equation would have a harmful impact upon meeting the Borough's most acute area of housing need. For that reason, the Council believes that a departure from the guidance provided by the Written Statement is justified. However, that is not the complete position and there is merit in providing additional clarity on the potential impact of the new Local Plan's approach on development viability.

¹ Within this context, the Council considers that the Written Statement is referring to providing opportunities to those interested in self-build development.

Impact on Development Viability of Small Sites

- 2.11 The Council’s initial response to Matter 5 MIQ 5.14 (WS 5/1 Paras 5.14.3) considered the matter of viability. It highlighted that the Local Plan Viability Assessment 2022 (EB58) Paragraph 1.7 concludes that there *“is no significant difference in the viability of schemes providing 9 or fewer units than those of 10 units or more. Providing affordable housing on small sites gives rise to practical difficulties and consequently, most councils operating a small sites affordable policy seek payments in lieu and this is reflected in the Policy HO 03...payments in lieu neither incentivise developers to take up the option of a payment, but neither do they penalise them”*. For that reason, it concluded that new residential developments coming forward on small sites would not be rendered unviable by delivering or contributing towards meeting genuine affordable housing provision, and as a whole the approach would not stifle development from taking place. It was further noted that the new Local Plan Policy HO 03 provides sufficient flexibility to consider the matter of viability; allowing for the possibility of off-site financial contributions, or the negotiation of a proportionate contributions as justified by appropriate evidence.
- 2.12 For further clarity, the Council highlights that the development typologies tested in the Viability Study (EB58) include a range of schemes. This includes schemes providing fewer than 10 units. These are as follows:

Table 1: Typologies provider fewer than 9 units

| No | Description | Number of units |
|----|---|-----------------|
| 1 | Very small residential (house) | 1 |
| 2 | Small residential development (houses - backland, infill etc) | 5 |
| 3 | Small residential development (flats - backland, infill etc) | 5 |
| 8 | Small scale mixed use, local centres | 5 |
| 9 | Small scale mixed use, local centres | 5 |

- 2.13 At the lowest end of the tested range of sales values in the Borough (IE £6,845 per square metre), the residual land values generated by these typologies all exceed the relevant benchmark land values for each site. For example:
- Typology 2 (5 houses) generates residual land values ranging from £700,288 (with a payment in lieu equivalent to 50% affordable housing) to £1,243,643 (no payment in lieu), in comparison to a benchmark land value of £240,000.
 - Typology 3 (5 flats) generates residual land values ranging from £266,654 (with a payment in lieu equivalent to 50% affordable housing) to £627,248 (no payment in lieu), in comparison to a benchmark land value of £240,000.
- 2.14 The outputs are clearly set in the Viability Study (EB58) under Table 6.12.1.
- 2.15 It is highlighted that in the absence of a payment in lieu relating to small schemes, landowners would receive a significant windfall sum, far in excess of the amounts identified by the Planning Practice Guidance as a reasonable return to landowners and developers. Critically, it is noted that the Council would miss out on the opportunity to secure financial contributions which will create a fund to cross-subsidise development of affordable housing

on the Council's own land, or for provision of grant funding to developers of larger sites to provide additional on-site affordable housing.

Conclusion

2.16 The Council maintains that the new Local Plan's approach towards securing contributions towards genuinely affordable homes from development of between two to nine dwellings is necessary and justified. In the absence of this approach, the ability to meet the need for new genuinely affordable homes will be significantly compromised. For that reason, the Policy's departure from the guidance set out in the Written Statement is justified. Of equal note, it is demonstrably the case that the Policy approach will not have a harmful impact on the viability of small sites. It is clear that development partners will continue to make reasonable returns in excess of those identified in Planning Practice Guidance. For these reasons the Council concludes that the new Local Plan continues to be sound on this matter.

Action 22 - In respect of the above – the Council will clarify the Inspector's perception of a reference to a nominal 30% of small site component, where has that reference arisen from? Officers are uncertain where the Inspector's reference has come from.

2.17 The Council agreed to clarify the above matter; namely that *"...due to the restricted nature of housing sites in the Borough, it is shown in the updated housing trajectory that up to one third of the housing supply coming forward over the Plan period may be located on small sites. This situation is replicated across the whole of London and so the Government's approach to blocking affordable housing contributions on small sites is inappropriate, as it creates a barrier to addressing the affordability needs of Londoners"* (WS 5/1 Paragraph 5.14.2).

2.18 It is noted that the original submitted Housing Trajectory (PD 18) speaks to small site windfalls and identifies that these will provide a supply of at least 21%. This is consistent with the position set out above. The subsequent Updated Housing Trajectory May 2024 (LC11) maintained this position.

2.19 Furthermore, the Council considers that it has in part responded to Action 22 through its response to Action 21 (see above), which speaks to the importance of small sites in terms of overall housing supply during the plan period. Particular reference is made to the response to Matter 15 MIQ 15.3 (WS 15/ 1 Paras 15.3.1 – 15.3.3), which speaks to the estimated supply from the diverse source of housing land supply over the plan-period. That provides an approximate figure of about 21% - derived by combining the anticipated supply from sites with existing outline or detailed planning permission for 9 or less dwellings (small sites); and those that could come from windfall sources, with the latter identified as being inclusive of sites smaller than 0.25 hectares or less than 10 units (See Para 2.7 above). However, this does not account for the small sites (defined as 0.25 ha or less) that fall under other sources of supply but are delivering 10 or more dwellings (WS 15/1 Para 15.3.3).

2.20 Given the nature of housing land supply across Lewisham, and the role that small sites are anticipated to play in delivering growth during the plan period, the Council considers it reasonable to conclude that such sites could make up one-third of future housing land supply.

Action 23 - In relation to vacant building credit, the Council to provide information on the proportion of development on previously developed sites.

Pull together evidence on viability in relation to previously developed sites – inclusive of site allocations, possible small site sources and windfalls (IE that much of this is within the existing urban and sited on previously developed sites).

Introduction – Background

- 2.21 The new Lewisham Local Plan sets out the approach for securing new affordable housing under its Policy HO 3 Genuinely affordable housing. This provides an approach towards securing the maximum amount of genuinely affordable housing delivered on new housing developments. Significantly the Policy's Part M states that *"The application of the Vacant Building Credit is not appropriate in Lewisham. The use of VBC will only be considered in limited circumstances, where applicants suitably demonstrate there are exceptional reasons why it is appropriate..."*. The Council acknowledges that this approach diverges from that currently advised by national planning policy guidance.
- 2.22 The Council notes that the National Planning Policy Framework (September 2023 Paragraph 64) states that *"To support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount²"*. Current national planning practice guidance states that *"National policy provides an incentive for brownfield development on sites containing vacant buildings. Where a vacant building is brought back into any lawful use or is demolished to be replaced by a new building, the developer should be offered a financial credit equivalent to the existing gross floorspace of relevant vacant buildings when the local planning authority calculates any affordable housing contribution which will be sought. Affordable housing contributions may be required for any increase in floorspace"* (Paragraph: 026 Reference ID: 23b-026-20190315 Revision date: 15 03 2019).
- 2.23 The Council's responses to Matter 5 Matters, Issues and Questions relevant to this matter are set out under its Written Statement (WS 5/1). These responses fall under MIQ 5.17 (WS 5/1 Paras 5.17.1 – 5.17.9). In many respects the Council's response to this matter is in parallel to that relating to the approach of securing affordable housing contributions from the development of schemes comprised of between two to nine dwellings (on small sites). Namely, that the scale of affordable housing need is so acute that contributions are necessary from all sources of supply. The Council will present a brief overview of the importance of previously developed land as a source of housing land supply.
- 2.24 Within this context, the Council also consider that the incentive provided by national planning policy guidance to redevelop brownfield sites is unnecessary in Lewisham. Whilst such incentives may be necessary in places where the redevelopment of previously developed sites may be marginal (in viability terms) that is not the experience in Lewisham – where even the most potential difficult brownfield sites provide attractive development propositions. The Council will present a brief overview from the viability perspective.

² The NPPF Paragraph 64 footnote states – *"Equivalent to the existing gross floorspace of the existing buildings. This does not apply to vacant buildings which have been abandoned"*.

Housing Land Supply

- 2.25 As set out above (see Paragraphs 2.5 – 2.10), Lewisham’s sources of housing land supply reflect its Inner London urban characteristics. Examples of the different sources of supply are encountered across the new Local Plan’s site allocations. The Council refers to its responses to Matters 17 – 21 (WS 17/ 1 – WS 21/1); relating to Lewisham’s Central, North, East, South and West; which provide an overview of many of the allocated sources of supply.
- 2.26 With a few noteworthy exceptions, almost all of the new Local Plan’s site allocations involve the redevelopment of sites that include existing buildings/ floorspace that will in most cases be replaced (rather than incorporated) over the plan period. Consequently, most of the site allocations are potentially in a position to apply for vacant building credit, where a candidate building (albeit not an abandoned building) is involved. This would have a significant impact on the delivery of new affordable housing provision from new development.
- 2.27 In addition, it is noted that small sites, particularly those coming forward as windfall make a significant numerical contribution towards housing land supply. The Council’s position in relation to this component of housing land supply and why it is necessary that it contributes towards meeting affordable needs (via new Local Plan Policy HO 3) is set out above – see Paragraphs 2.7 and 2.8. In parallel with other sources, given Lewisham’s predominantly urban nature – it is anticipated that much of the small site windfall provision will comprise sites that are previously developed. The Council reiterates that again discounting any contribution from this source will harm the ability to meet Lewisham’s acute need for new genuinely affordable provision.

Impact on Development Viability of Previously Development Land

- 2.28 It is reiterated that in common with most other inner London boroughs, the bulk of Lewisham’s housing land supply is from sites that have been previously developed.
- 2.29 The Council considers that in an inner-London context, where virtually all land supply is previously developed land, there is an active land market and landowners and developers do not need an additional incentive to bring sites forward due to the intense competition for land. It is noted that this competition exists not only between residential developers, but very often there is also competition between development for various uses.
- 2.30 For clarification the Vacant Building Credit incentive was conceived predominantly for areas where there was little pressure on land supply and where there are other sources of land supply which (unless an incentive were to be applied) would remain undeveloped. That is simply not the case in Lewisham.
- 2.31 To an extent, the approach of reducing affordable housing requirements has been tested in the Viability Study. This is because it provides an assessment of various percentages from 0% to 50% in 5% increments. The Council highlights that the discussion at the Examination hearing session for Matter 22 considered how affordable housing policies are applied in practice. Namely, through the London Plan ‘fast track’ and ‘viability tested routes. The Council contends that as an incentive this provides a far more efficient approach than Vacant Building Credit, which in practice can operate as a very blunt tool. For example, it may result in scenarios where development proposals that are extremely viable do not provide affordable housing at target levels simply because there is a very large empty building on the site (possibly vacated strategically to engineer an advantageous Vacant Building Credit

outcome). Whilst not for the examination to consider in full, it is noted that the Vacant Building Credit mechanism is open to abuse.

2.32 The Council notes that many London boroughs have never applied the Vacant Building Credit. Indeed, the Council's own experience through the development management process is that development partners rarely seek its application (as an incentive). There are several reasons for this, including the following:

- the perverse incentives to landowners to keep buildings vacant when they would otherwise have been let.
- the high demand for commercial floorspace in London and absence of the kind of market failure that Vacant Building Credit is intended to address; and
- the London Plan's far more efficient and targeted approach to addressing viability issues that sometimes emerge in connection with affordable housing requirements.

Conclusion

2.33 The Council maintains that the new Local Plan's approach towards securing contributions towards genuinely affordable homes from development, at the exclusion of the Vacant Building Credit is necessary and justified. In contrast, if the Vacant Building Credit approach were to be applied the ability to meet the need for new genuinely affordable homes will be significantly compromised. For that reason, the Policy's departure from national planning policy guidance is justified. Of equal note, it is considered the case that the Policy approach will not have a harmful impact on the viability of previously developed land. It is clear that such sites will continue to be viable and come forward for redevelopment, and that development partners will continue to make reasonable returns. For these reasons the Council concludes that the new Local Plan continues to be sound on this matter.

Action 25 – Within the context of Vacant Building Credit, identify where the time period 5 years has been arrived and what is its justification.

2.34 The new Lewisham Local Plan sets out the approach for securing new affordable housing under its Policy HO 3 Genuinely affordable housing. This provides an approach towards securing the maximum amount of genuinely affordable housing delivered on new housing developments. It is noted that the Policy's Part M sets out an approach that in most cases will discount the application of the Vacant Building Credit as an incentive to bring forward previously developed land. This is primarily because of the significant harmful impact this would have on the ability to meet the Borough's acute affordable housing need, and also because incentivisation is unnecessary.

2.35 Nevertheless, the Policy wording provides sufficient flexibility to allow for applications for the Vacant Building Credit to come forward and be considered where it can be demonstrably justified. The Policy's Part M sets out the exceptional circumstances when such applications could be made and considered. This includes the circumstances where a building has not been made vacant for the sole purpose of redevelopment, as demonstrated by evidence showing that the building has been vacant for a minimum continuous period of five years and has been actively marketed for at least two years therein, at realistic local area prices. The Council considers that this criterion is necessary to ensure that applications for the Vacant Building Credit neither abuse the process, nor result in perverse consequences as set out at Paragraph 2.31 above.

2.36 It is noted that for the purposes of applications for the Credit, a vacant building is defined as being one which has not been in continuous use for any six-month period within the preceding three years on the day the planning application is submitted as valid³. The addition of at least a two-year marketing period results in the Policy's requirement of five years. The Council considers that the two-year/ twenty-four-month marketing period is generous. Other policies within the new Local Plan, which as require market scrutiny of a building or uses commercial status⁴ stipulate longer periods, for example of at least thirty-six months. Such marketing periods are necessary to ensure that wider market conditions are fully considered and that economic aberrations/ fluctuations do not erroneously and irreversibly influence decision-taking.

3. Policy HO 5 Older Person Accommodation

Action 29 - Consider the McCarthy & Stone representation on viability – has plan-making proportionately considered viability impact on specialised older person accommodation.

- 3.1 In its response to Matter 5 MIQ 5.20 the Council opens by stating that *“The new Lewisham Local Plan recognises that the residential accommodation needs of the Borough's older residents will need to be met through the delivery of range of quality and affordable housing options. Nevertheless, the new Local Plan acknowledges that the residential needs of older residents will be met principally through conventional housing. It is highlighted that in circumstances where there is a good level of conventional housing provision available there will consequentially less reliance upon specialist (less flexible) forms of accommodation. To achieve this, the new Local Plan seeks to ensure that all new C3 Use Class are designed to a high quality and are adaptable to the varying needs of users at all stages of life, in accordance with Policy QD 2 Inclusive and safe design”* (WS 5/1 Paragraphs 5.20.1 – 5.20.4).
- 3.2 In contrast, McCarthy & Stone, who provide a form of C3 residential accommodation for persons over the age 55 years, suggest that the new Local Plan be amended to delete reference to the above referenced approach. They suggest, under their response to Matter 5 MIQ 5.4 (WS 5/5), that *“...no viability appraisals or evidence have appeared to have been undertaken for the specialist older persons' housing typologies – namely Sheltered Housing and Extra Care accommodation and this is disappointing”*.
- 3.3 In response the Council highlights the discussion that took place during the Matter 22 Examination hearing session. Namely, that the Viability Study (EB58) assesses the viability of a residential care home, but not C3 housing aimed at older people. In response, the Council highlights that BNP Paribas (the Council's external viability experts) have modelled a McCarthy & Stone scheme from a neighbouring London Borough (but using ranges of inputs relevant to Lewisham) to establish the viability of this type of housing and its ability to contribute towards affordable housing requirements. The outputs from that modelling exercise are set out under the Council's response to Matter 22 Action 212.
- 3.4 It is highlighted that the McCarthy & Stone representation (WS 5/5) does not take account of the flexibility built into the new Local Plan Policy, which reflects the 'Fast Track' and 'viability

³ It is legitimate for local planning authorities to require the submission of accompanying evidence, such as Council Tax or Rates records, to determine whether or not a building is genuinely vacant.

⁴ Such as those policies that require evidence that employment floorspace is genuinely surplus to market requirements/ demand and can be considered for other uses.

tested' route in the London Plan. While McCarthy & Stone argue that the NPPF appears to suggest that affordable housing targets should be set without the further need for viability testing at the development management stage, this is in reality

- (a) unrealistic in a complex urban environment with a complex set of relationships between vary types of development and a range of benchmark land values; and
- (b) fails to reflect the fact that the London Plan is an integral part of the adopted development plan for the Capital.

3.5 The Council provide further comments on the McCarthy & Stone representation under its response to Matter 22 Action 213.