Mayor Sadiq Khan has secured £3.15bn in government funds to help start building at least 90,000 affordable homes by 2021. This is part of ‘Homes for Londoners’, the Mayor’s way to tackle London's housing crisis. The Mayor published his Homes for Londoners: Affordable Homes Programme 2016-21 funding guidance in November 2016 which will help housing associations, community groups, London boroughs and private developers to build new affordable homes in London. It explains how to get funding from the Mayor and any rules that apply. The new ‘London Plan’ which is currently being developed will incorporate this aim and in the meantime the Affordable Housing and Viability Supplementary Planning Guidance (SPG) consultation draft provides guidance to ensure that existing policy is as effective as possible.

To view more on these documents click on the following links below:

Homes for Londoners: Affordable Homes Programme 2016-21
Affordable Housing and Viability Supplementary Planning Guidance

We have provided a summary of the key headlines within these documents.
Key Headlines

- Mayor Sadiq Khan has secured £3.15bn in government funds to help start building at least 90,000 affordable homes by 2021.
- Out of the 90,000 the Mayor and the government have agreed at least 58,500 of this total will be a combination of London Living Rent and shared ownership.
- This will help Londoners who would otherwise struggle to rent or buy.
- It is part of ‘Homes for Londoners’, the Mayor’s way to tackle London’s housing crisis.
- The types of affordable homes the Mayor is funding include:
  1. London Affordable Rent - for people on low incomes
  2. London Living Rent - for people on average incomes
  3. London Shared Ownership - for people who want to buy but can't afford the open market
- The Mayor also wants to increase the amount of affordable housing delivered through the planning system, and bring forward more public land for affordable homes.
- Other products may be funded under the Mayor’s programme where they are genuinely affordable to Londoners. They may also be funded by providers’ own resources or secured through the planning system.
- Existing pipeline schemes may have affordable housing tenures fixed already, in which case there will be some flexibility during the transitional period.
- The Mayor's long term strategic aim is to make half of all new homes in London affordable. He intends to achieve this by:
  1. investing more in affordable housing
  2. bringing forward more public land for affordable homes
  3. increasing the amount of affordable housing delivered through the planning system
- The new ‘London Plan’ is currently being developed and will incorporate this aim, and a consultation draft of the new ‘London Plan’ will be published in Autumn 2017.
- In the meantime, the Affordable Housing and Viability Supplementary Planning Guidance (SPG) consultation draft provides guidance to ensure that existing policy is as effective as possible.
- The main aims of the SPG is to:
  1. increase the amount of affordable housing delivered through the planning system
  2. embed the requirement for affordable housing into land values
  3. make the viability process more consistent and transparent
• It will also ensure that development appraisals are robustly and consistently scrutinised as well as speeding up the planning process for those schemes which are delivering more affordable homes.

• The SPG sets out the Mayor’s preferred approach and Local Planning Authorities (LPAs) are strongly encouraged to follow this approach for all schemes of ten or more homes.

• The Mayor wants to boost the overall supply of new homes by making the planning system clearer, quicker, and more consistent.

• It aims to increase the amount of affordable housing coming through the planning system, and reward those who deliver more.

• The SPG focuses on affordable housing and viability and includes four distinct parts:
  1. background and approach
  2. the threshold approach to viability appraisals
  3. detailed guidance on viability assessments
  4. a specific approach to Build to Rent schemes.

Both of these documents represent positive news for Registered Providers and the affordable housing sector in general as they can only encourage the construction of more affordable homes in London.

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