



City of London Corporation
City Plan 2040 — Examination in Public
Matters Statement

Main Matter 03 – Housing (Policies S3 and HS1 to HS8)

Main Matter 3 – Housing (Policies S3 and HS1 to HS8)

- **In setting a minimum requirement of 1706 net additional dwellings for the plan period 2025/26 to 2039/40, does CP Policy S3 make adequate provision to meet the City’s housing needs and does the plan clearly set out a delivery trajectory that is achievable?**

Yes, strategic policy (S3) makes adequate provision to meet the City’s housing needs over the plan period. A clear housing trajectory has been provided in the City of London Proposed Submission Draft Explanatory Note 2024, (LD22) (figure 1 Page 12). Paragraph (6.3) of LD22 makes clear the component parts of the housing targets to 2039/40.

The City Corporation carried out an assessment on the level of housing need in the City using the 2018 national standard methodology in the City of London Strategic Housing Market Assessment SHMA 2023 (ED-HOU1). Using the standard methodology, the annual average level of housing need, including the needs of those requiring supported and specialised accommodation, over the period 2023-2033 was assessed to be 102 dwellings per year. The need figure is below the City’s capacity-based housing target of 146 in the London Plan, but the City Corporation also recognises that the wider housing needs across London support the case for a higher level of housing in the City than indicated by the national standard method, whilst balancing the delivery of homes with the need to ensure that new residential development does not compromise the strategic functions of the CAZ (as per LP policy SD5).

The CP target therefore seeks to meet the LP housing target between 2025/26 and 2028/29 (an average 146 dwellings per annum) and to meet the housing requirement identified by the national standard method from 2030/31 up to 2039/40 which is an average of 102 dwellings per annum, CP paragraph (4.1.10). The City’s housing requirement is clearly set out in (S3(1)). This consists of the annual average of the 10-year London Plan target (146 dwellings per year, for years 2025/26 to 2028/29) plus the combined annual average of 102 dwellings for the eleven years post 2028/29 (1,122 dwellings). This is in line with LP paragraph (4.1.11) which states that when setting a housing target post 2028/29 boroughs “...should draw on the 2017 SHLAA findings (which cover the plan period to 2041) and any local evidence of identified capacity”.

As shown within Table 1 below and the housing trajectory at Appendix 1, housing delivery over the plan period is expected to meet and exceed the City’s housing requirement of 1,706 units over the CP period, showing that the requirement is achievable.

A housing trajectory was included in Figure 1 of the Housing Explanatory Note (LD22), which was correct on Submission (29 August 2024). The City Corporation maintains a live record of permissions, completions and anticipated housing delivery. Due to the passage of time, a new

version as of 6 March 2025 is included in Appendix 1 to this Statement and the figures are included below. The City Corporation is aware of the requirement of NPPF paragraph 75 of the 2023 version (paragraph 78 of the 2024 version) to include an up-to-date housing trajectory, however this was not included within the CP itself due to the constantly changing development information. If it is felt to be useful, a new version can be included at an appropriate given time, with the Inspector’s agreement.

Table 1- Anticipated housing delivery over the CityPlan period

Year	Housing units
2025/26	41
2026/27	97
2027/28	580
2028/29	342
2029/30	105
2030/31	120
2031/32	120
2032/33	120
2033/34	120
2034/35	120
2035/36	120
2036/37	120
2037/38	120
2038/39	190
2039/40	220
Total	2,535

- **Is the plan consistent with the Government objective of significantly boosting the supply of homes, as expressed in the NPPF? Do the Corporation’s latest HDT results have implications for the housing delivery and trajectory expectations in the submitted plan?**

Yes, the CP is consistent with the Government objective of boosting the supply of homes. The latest HDT results do not have implications for the housing delivery and trajectory expectations in the submitted plan.

As the CP reached Regulation 19 stage before March 2025, the City Corporation will be examined under the ‘relevant previous version’ – ie the 2023 version of the Framework. For completeness the relevant paragraphs of both versions have been included in this statement below.

The CP housing policies are in accordance with the Government’s objectives of significantly boosting the supply of homes as set out in paragraph 60 of the 2023 NPPF (paragraph 61 of the 2024 version). Policy (S3(1)) seeks to meet the City’s identified housing need, with an appropriate mix of housing. The policies are based on an informed local housing need, NPPF paragraph 61 of the 2023 NPPF (paragraph 62 of the 2024 version) and establish the need for different types and tenures of housing (NPPF paragraph 63). Policy (S3(2)) seeks to provide an appropriate mix of affordable tenures, addressing identified need in the City of London, including social or London affordable rented housing and intermediate housing (living rent, shared ownership or other genuinely affordable products) for rent or sale (see NPPF paragraphs 64 to 66).

In accordance with paragraph 69 of the 2023 NPPF (paragraph 72 of the 2024 version), the City Corporation can demonstrate a 5-year housing land supply. This includes “*a) specific, deliverable sites for five years following the intended date of adoption, and b) specific, deliverable sites or broad locations for growth, for the subsequent years 6-10 and, where possible, for years 11-15 of the remaining plan period*”. (See Table 5 and Figure 1 of the Housing Explanatory Note (LD22), and as updated within this Matter Statement and its Appendix).

As set out in paragraph (5.5) of the Explanatory Note (LD22), the housing trajectory includes a windfall allowance from year 6 onwards. Paragraph 72 of the 2023 NPPF (paragraph 75 of the 2024 version) states that where windfall sites are anticipated as part of supply, there should be compelling evidence that they will provide a reliable source of supply. CP (paragraph 4.1.12) confirms that windfall sites will be adequate to ensure an appropriate housing supply. Evidence can be found in (LD22 (Table 2) and paragraph 5.5).

In accordance with paragraph 79 of the NPPF the City Corporation monitors progress in building out sites which have permission and the extent to which the HDT has been met. CP paragraph (4.1.11) emphasises the importance of regular monitoring to maintain relevant housing data.

In terms of the HDT, the most recent (2023) figures, published December 2024, shown in Table 2 below demonstrate that the City of London has exceeded its housing requirement, delivering 649 housing units between 2020/21 and 2022/23 against a target of 315 which equates to 206% of our requirement for the relevant three-year period. The 2023 version of the NPPF at para 79 included a 20% buffer requirement where delivery in the HDT fell below 85%. There is therefore no need to include a 20% buffer in the housing requirement for the purposes of calculating the 5-year Housing Land Supply for plan-making, against the December 2023 NPPF. Even under the 2024 NPPF, there would be no such requirement.

Table2- Extract from 2023 HDT measurement

Number of homes required			Total no. homes required	Number of homes delivered			Total homes delivered	HDT 2023 measurement
2020/21	2021/22	2022/23		2020/21	2021/22	2022/23		
76	105	134	315	208	432	9	649	206%

- **In the absence of site-specific housing land allocations within the CP does the submitted evidence including past delivery supporting the Corporation’s approach to housing delivery?**

Yes, the submitted evidence, including past delivery, supports the Corporation’s approach to housing delivery in the absence of site-specific housing allocations.

The submitted evidence relevant to CP housing policy includes the Strategic Housing Market SHMA (ED-HOU1); the Housing Market Assessment Supplement (ED-HOU3), Housing Topic Paper (ED-HOU2) and the Housing Explanatory Note (LD22). The City Corporation does not consider that it would be appropriate or necessary to allocate sites for housing. The City of London is little more than one square mile in area. It is the core of London’s office-based employment and lies entirely within London’s Central Activities Zone (CAZ). Its primary function is as an international financial and professional services centre rather than a residential location. Due to the nature of the City’s primary business function, LP Policy SD5 (B) acknowledges that residential development is not appropriate in defined parts of the City of London. CP policy (HS1) identifies the ‘residential locations’ where housing is appropriate in the City. Typically, site allocations are considered on ‘large sites’ of over 0.25ha (see para 4.1.7 of the LP) and given the CAZ constraints the land available for new residential use of this size is very rare. The City Corporation conducted a Call for Sites exercise in 2022 but only four sites were proposed as potentially suitable for residential development (as set out in Appendix 3 of Paper (ED-HOU2).

The City Corporation has a track record in meeting and exceeding its housing targets without the need for housing site allocations. Housing delivery in the City has typically followed a pattern of a relatively consistent delivery on small housing sites (those with under 10 units) combined with a variable level of delivery on a few larger sites (LD22, figure 1). The Housing Topic Paper (ED-HOU2) paragraph 4.1 shows that in the period 2011/12 to 2022/23, completions delivered an annual average of 175 dwellings per year. This is above the annual London Plan targets which varied between 110 and 146 during that time period. LD22 paragraph 7.2 and Table 5 explains how delivery during the London plan period is expected to exceed the London Plan target. Between 2018/19 and 2028/29 the London Plan targets

expected the City Corporation to enable 1,601 additional residential units whereas the actual number of units already delivered and in the pipeline is 1,813 units.

Windfall sites are defined in the NPPF glossary as sites that are not specifically identified in the Development Plan. In accordance with paragraph 72 of the 2023 NPPF (and paragraph 75 of the 2024 version) the City Corporation has provided ‘compelling evidence’ that windfall sites are a reliable source of supply, taking account of past delivery and expected future trends.

The CP policies have introduced a more flexible approach to housing delivery in policy (OF2(2c)) which allows the loss of office floorspace if a site is proposed within or immediately adjacent to an identified residential area and would result in the provision of additional housing. The loss of office floorspace in these circumstances, for which there is no ongoing demand, may assist in providing housing to help meet the City’s housing requirement paragraph (5.3.5).

Table 2 of the Housing Explanatory Note (LD22) sets out three scenarios for assessment of windfall trends, which ranged from an average of 156 to 205 per annum, over a 5-, 10- or 15-year average. As set out in paragraph (5.5), to allow for market trends, a windfall allowance of 120 has been included in the housing trajectory for years 6 onwards only (see NPPF paragraph 72). LP policy (H1B) also encourages the development of housing on appropriate windfall sites.

The number of significant sites in the City that could potentially accommodate housing development is very limited; therefore, instead of site allocations, the policy framework allows for residential development in and near residential areas as identified in the CP at Figure 3 (page 58). Housing delivery has successfully been delivered through reliance on windfall sites, and in the case of affordable housing, through out-of-borough provision (LD22 section 11 and table 9).

It is anticipated that windfalls will continue to deliver sufficient housing to meet the housing requirement in the CP (LD22 (table 2) and (paragraph 5.5)). The Call for Sites exercise (ED-HOU3 Appendix 3) and early work on the forthcoming London SHLAA suggests that this trend is likely to continue for the period of the City Plan.

- **Does the Plan adequately address the needs for all types of housing and the needs of different groups in the community?**

Yes, the Plan adequately addresses the needs for all types of housing and of different groups. Paragraph (63) of the NPPF states that “...local planning authorities should provide specialist housing for different groups in the community such as those who require affordable housing (including Social Rent); families with children; looked after children; older people (including

those who require retirement housing, housing (with-care and care homes); students; people with disabilities; service families; travellers; people who rent their homes and people wishing to commission or build their own homes". The LP supports housing for people with disabilities, older persons, students, gypsy and travellers and people requiring co-living accommodation through policies (H12, H13, H14, H15 and H16.) The CP also includes policies which support older persons housing (HS7), student accommodation (HS6), as well as accessible dwellings (S3).

The policies are supported by evidence within the City's SHMA (ED-HOUS1) which outlines the groups in the City requiring specialist housing to meet their needs; older persons (paragraph 5) sheltered (paragraph 5.1), self and custom build (paragraph 7), wheelchair and accessible (paragraph 8) and gypsy and travellers (paragraph 9).

In relation to older persons housing, the London Plan sets borough-level annual benchmarks for specialist older persons housing units (Table 4.3) to meet the predicted increase in demand in London to 2029, paragraph (4.13.14). Table 4.3 sets a City of London benchmark of 10 units per annum. CP Policy (HS7) sets out a positive approach for schemes including older person's housing within the City. Accessible housing required by CP policy (S3(9)) alongside the accommodation provided by the City Corporation outside the Square Mile will also assist in meeting these pan-London needs.

LP (paragraph 4.15.1) states that *"...the housing need of students in London, whether in Purpose-Built Student Accommodation (PBSA) or shared conventional housing, is an element of the overall housing need for London determined in the 2017 London SHMA"*.

The overall strategic requirement for PBSA in London has been established through the work of the Mayor's Academic Forum, and a requirement for 3,500 PBSA bed spaces to be provided annually across London over the LP period has been identified paragraph (4.15.2). The strategic need for PBSA is not broken down into borough-level targets as the location of this need will vary over the Plan period, paragraph (4.15 (c)).

The CP does not set a target for student housing units as student housing can count towards the overall supply of units for the purposes of meeting housing targets. Student housing contributes at a ratio of 2.5 student rooms being equal to 1 permanent housing unit. The information within the housing trajectory shows how student housing contributes to City-wide housing targets, with over 800 student units (LD-22 Table 8)) provided between 2021 and 2025.

There is no current provision for gypsy and traveller accommodation within the City due to its small geographical area and intense commercial development, and lack of demand for such accommodation in the square mile. The LP (table 4.4) indicates that there is no need for specific gypsy and traveller accommodation within the City of London. As identified in paragraph (4.1.4) there is an ongoing London Plan study "The London-wide Gypsy and Traveller Accommodation Needs Assessment (GTANA)" which is expected to be published

in 2025. If a need was identified through this study, the CP would defer to LP policy and targets, so it is proposed that additional wording could be added to this effect at a new paragraph (4.1.15).

- **Is the requirement for affordable housing in City adequately addressed by the CP?**

Yes, the requirement for affordable housing in the City is adequately addressed by the CP. As set out above, the SHMA identifies a need for affordable housing (see paragraph 4.1 of ED-HOU1), supported by an additional explanatory report to the SHMA (LD22) and viability assessment of the CP (ED-IMP1).

Strategic policy (S3) adequately deals with affordable housing by seeking to ensure that sufficient affordable housing is provided to meet the City's housing needs and contribute to London's wider housing needs (S3(2)).

As land within the City is an expensive and limited resource, there is a policy priority to deliver new office floorspace to strengthen its strategically important business role LP policy SD5. Nonetheless, as set out in CP policy (S3(2b)) there is the expectation that major residential developments provide affordable housing on site. This approach is fully in line with the NPPF and the London Plan policies H4 to H6. CP policy (S3(2c)) does set out some exceptions, where if appropriately justified, development may provide affordable housing off-site or make a financial contribution towards off-site provision. This is in line with NPPF paragraph 64 which states that...*"off-site provision or an appropriate financial contribution in lieu can be robustly justified..."*, and LP Policy H4(B) that states...*"new affordable housing associated with housing development should be provided on-site or as a cash in lieu contribution in exceptional circumstances..."*.

The City Corporation spends funds collected through commuted sums through working with housing partners to deliver new affordable housing on sites in the City fringe and in neighbouring boroughs, principally on City Corporation-owned housing estates. Where homes are developed outside the City, the City Corporation normally seeks joint nomination rights with the host borough to ensure that the housing can meet both City and host borough housing need. This approach to affordable housing provision has been supported for many years, including at the examination into the Core Strategy and 2015 Local Plan and also by the GLA; CP paragraph (4.2.9). By being flexible in its approach to affordable housing provision, the City Corporation has enabled affordable housing to be developed 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.

In line with LP Policy H4, CP policy (S1(3)) requires 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 line with LP paragraph (4.4.3). 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; policy (S3(3)).

As shown in paragraph (11.2) and (table 9) of LD22 and ED-HOU2 (figure 13) existing 2015 Local Plan policies have already successfully delivered sufficient amounts of affordable housing. The CP policies follow a very similar approach to delivering affordable housing and it can therefore be assumed that the CP policies will adequately address the requirement for affordable housing.

- **Should the affordable housing requirements for the City be clearly set out in a specific policy rather than as just part of the explanatory text?**

No, it is not considered necessary for the affordable housing requirements of the City to be set out in a separate policy. The affordable housing requirements are included in the overarching strategic policy (and the policy text itself) so is sufficiently prominent. It is clear how the policy operates with clear bullet points and supporting explanatory text. The affordable housing policy in the CP is prominently set out under bullet points 2 (ensuring sufficient provision and mix of tenures) and 3 (dealing with viability and feasibility assessments) of the Strategic housing policy (S3). This approach follows the requirement of the NPPF, which specifies that strategic policies should make sufficient provision (amongst other uses) for affordable housing (NPPF 2023 paragraph 20 (a)).

The supporting text to policy (S3) paragraphs 4.2.7 - 4.2.16)) clearly explains how affordable housing can be appropriately delivered to maximise units in suitable locations. Topics covered include the expectation of on-site delivery, commercial contributions to funds for affordable housing, off-site provision and viability testing and appropriate tenure types.

The approach to affordable housing is also in line with the approach of the London Plan. This outlines how local planning authorities can deliver sufficient affordable housing to meet assessed needs through Policies H4 (Delivering affordable housing), H5 (Threshold approach to applications), H6 (Affordable housing tenure) and H7 (Monitoring of affordable housing).

The inclusion of the affordable housing policy within the overarching strategic housing policy (S3) is considered to be appropriate in terms of succinctness and clarity.

- **Are the policies relating to Housing positively prepared ‘in a way that is aspirational but deliverable’?**

Yes, the policies in the CP relating to housing are positively prepared in a way that is aspirational but deliverable. The policies have been positively prepared by 1) providing a strategy which, as a minimum, seeks to meet the area’s objectively assessed needs; and by way of the London Plan and the Duty to Cooperate 2) is informed by agreements with other authorities, 2023 NPPF paragraph 35(a) and (NPPF paragraph 36(a) in the new version). No requests to meet unmet need from neighbouring areas have been received.

CP strategic housing policy (S3) aims to provide sufficient housing in appropriate locations to meet the City’s housing needs, in a way that balances housing delivery with the need to prioritise strategic CAZ uses, in line with the London Plan. The individual topic policies (HS1-HS8) will deliver the necessary housing in appropriate locations through appropriate thresholds and targets.

The policy approach is aspirational in the context of the City, and as set out in question 1 of this paper, housing targets within the London Plan exceed the need identified through the standard methodology. The City Corporation has also consistently met the housing targets set by the GLA and London Plan, demonstrating that the CP housing policies are deliverable.

The CP is aspirational in its approach to seeking affordable housing on-site whenever possible. Where it is not possible to achieve on-site provision, cash-in-lieu contributions are sought in order to deliver units on other sites or in neighbouring boroughs, policy S3(2b)). Applicants are required to demonstrate the level of contributions that would be possible to maintain the viability of the scheme through a viability assessment, policy (S3(3)).

The CP has aspirational policies requiring commercial development to make a financial contribution towards off-site 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, paragraph (4.2.8), while facilitating commercial development in the centre of the City.

Despite the constrained nature of the City, policies also seek to meet the needs, size, type and tenure of housing for different groups, NPPF paragraph 63. The CP protects existing housing CP policy (HS2), amenity CP policy (HS3) and quality CP policy (HS4), which involves meeting London Plan housing space standards, including outdoor space standards and amenity space for individual units.

- **Are the housing policies clearly written and unambiguous, so it is evident how a decision maker should react to development proposals?**

Yes, the CP policies (S3) and (HS1 TO HS8) align with paragraph 16 of the NPPF which requires policies to be “...clearly defined and unambiguous, so it is evident how a decision maker should react to development proposals”.

The policies are positively worded and clearly separate the policy from the supporting text which is divided into ‘Reason for the policy’ and ‘How the policy works’ for maximum clarity.

CP strategic policy (S3) contains clear targets and thresholds. Policy (S3(2)) demonstrates clear housing delivery targets, and how the City will deliver sufficient housing to meet Government and London Plan targets. Policy clearly sets out relevant thresholds, for affordable housing policy (S3(2)) at 10 units or more to provide a minimum of 35% affordable housing on-site, in line with LP policy H4 and H5. As a result of comments from the Mayor of London during the Regulation 19 consultation, minor suggested changes were made to CP policy (S3(2)) to strengthen the wording in terms of positively providing affordable housing. CP Policy (S3(5)) contains targets for wheelchair and accessible and adaptable dwellings which requires at least 10% of new dwellings to meet Building Regulation requirement M4(3) ‘wheelchair user dwellings’ and all other new dwellings to meet Building Regulation requirement M4(2) ‘accessible and adaptable dwellings’ in line with LP Policy D7.

CP policies (HS1 to HS8) provide additional detail to the high-level direction of the strategic policy setting out the location of new residential development policy (HS1), the protection of existing residential, including a criteria-based approach which may allow some change of use away from residential policy (HS2), and the protection of residential amenity policy (HS3), and standards policy (HS4). Other policies seek to deliver specialist accommodation types such as short-term lets policy (HS5), students policy (HS6), older persons policy (HS7) and self-build policy (HS8). Further detail and justification for the policy and why it is required is provided in the ‘reason for the policy section’, such as to meet demand for student accommodation paragraph (4.8.0). Further detail on the application of the policy is included in the ‘how the policy works’ part of the supporting text, for example paragraph (4.8.5) provides detail on the requirements of policy (HS6(e)) in relation to residential amenity.

Appendix 1: Housing Trajectory as of 6th March 2025

