



Lewisham Local Plan

Housing Target Background Paper

Prepared to inform the Local Plan Examination

February 2024

LONDON BOROUGH OF LEWISHAM

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Summary

Set out below is a summary of the main points raised in the background paper:

Housing need

- There are two main approaches available to the Council when considering future housing need - the LHN calculated through the Government's Standard Method and the housing need already established at the London level through the London Plan 2021.

Discounted options

- A range of options have been considered, but discounted, as being an appropriate housing target for the local Plan.
- The Standard Method LHN requirement is deemed to be undeliverable during the Local Plan period. It takes an entirely theoretical "policy off" approach and does not take account of the limited capacity to accommodate substantial growth and intensification, due to physical and policy restrictions that are in place within the Borough. It does not consider the bespoke nature in which housing targets are determined within London, and it does not consider that neighbouring boroughs are unable to accommodate unmet need. Critically, the standard method also takes no account of development industry under-performance in delivering growth.

Preferred option

- The housing target being proposed through the preferred approach is sound. It is justified, effective and consistent with national and London Plan policy. It takes a "policy on" approach and takes account of land availability and capacity across the borough.
- The housing target is 28,460 net new homes over the next 15 years (2024/25 – 2038/39) and consists of the following components:
 - i) The 10-year London Plan housing target of 1,667 dwellings per annum, applied from the start of the Local Plan period to the end of the 10-year London Plan housing target period (2020/21 to 2028/29);
 - ii) The rolling forward of the 1,667 dwellings per annum, up till the end of the 15-year housing supply period (2029/30 to 2038/39);
 - iii) The inclusion of the London Plan's small site target of 379 dwellings per annum, as part of the 1,667 dwellings per annum supply mentioned above;
 - iv) An additional 579 dwellings per annum, applied up till the end of the first 5 years (2023/24 – 2028/29), to cater for a backlog generated by poor delivery since the start of the Local Plan;
 - v) A 5% buffer, with an additional 112 dwellings per annum applied over the next 5 years (2024/25 to 2028/29).

Consistency across London

- There needs to be a consistent approach across London. The Greater London Authority did not question the soundness of the housing target nor raise it as an issue of general conformity with the London Plan at Regulation 19 stage. The Council has taken their advice on board in applying the approach of rolling forward the London Plan target and other

London Boroughs have taken a similar approach through examinations in public and have been found sound.

- The new Local Plan has built in flexibility to ensure that it can be reviewed in a timely manner, to remain in general conformity with new housing targets arising from the next iteration of the London Plan.

Meeting the housing target

- The housing target is not business as usual. It is a realistic but ambitious target, based on evidence at the local level, which seeks to significantly boost housing supply, in line with paragraph 60 of the NPPF.
- The spatial strategy and site allocations proposed in the Local Plan will secure sufficient growth to meet this ambitious housing target.

Increasing capacity

- The Local Plan takes account of the possibility of a longer-term uplift in growth associated with the delivery of the Bakerloo Line Extension and provides flexibility by seeking to exceed the 15-year target in Policy HO 1 (A) (b).
- Given the latest Housing Delivery Test result published in December 2023, the Council will now consider an uplift in housing supply, assessed against a 20% buffer (as opposed to the 5% buffer that has been assessed in the Housing Trajectory - Update to Appendix 6 (PD 18)), and will provide further details of this prior to the Hearing sessions.

1. Introduction

- 1.1 Following the Submission of the new Lewisham Local Plan (PD 01) for the purpose of examination in public, the appointed Inspectors raised a number of Initial Questions, of which several questions relate to the housing target. The background paper seeks to respond to these questions and sets a contextual narrative for the new housing target in the Lewisham Local Plan.
- 1.2 The background paper will be submitted to the examination in alignment with the Council's responses to the Inspectors' Initial Questions and will help inform the process as it moves towards the subsequent Matters, Issues and Questions.
- 1.3 Specifically, as part of their Initial Questions the Inspectors observed that¹:
Policy HO 1 sets out the housing target up to 2037/38; however, the housing target should reflect the Plan period which runs to 2040.
- 1.4 **The Plan reflects the London Housing Target for the first 10 years; however, the London Plan does not set housing targets beyond this period. Paragraph 4.1.11 of the London Plan states that "*if a target is needed beyond the 10 year period (2019/20 to 2028/29), boroughs should draw on the London-wide Strategic Housing Land Availability Assessment (2017) findings and any local evidence of identified capacity, in consultation with the Greater London Authority, and should take into account any additional capacity that could be delivered as a result of any committed transport infrastructure improvements, and roll forward the housing capacity assumptions applied in the London Plan for small sites*".**
- 1.5 Paragraph 7.2 of the Plan states that "*in light of this direction and local evidence on land availability it is considered appropriate to roll forward the borough's London Plan annual housing target*". However, there is limited evidence before us to explain the Council's reasoning/justification for this approach.
- 1.6 As such, we would like the Council to prepare a Housing Target Topic Paper which sets out the following:
- i) ***How does the Local Housing need (LHN) housing requirement compare to the London Plan target;***
 - ii) **The rationale for deciding to take forward the London Plan annual target for the remainder of the Local Plan period including:**
 - iii) **The housing target options assessed in the SA/IA and why the preferred option was chosen;**
 - iv) **The evidence in the SHLAA/local evidence in terms of housing land capacity and how this influenced the preferred option of rolling forward the London Plan target;**
 - v) **The ability to meet the Local Plan targets in the submission draft; and**
 - vi) **Whether there would be sufficient capacity to meet the LHN and the rationale for discounting the LHN figure.**

¹ The Inspectors' requests are shown in bold and italic text below.

- 1.7 The background paper seeks to answer the above questions in the following format:
- i) Section 2 – describes the two main options available to Lewisham Council (the Council) – the Standard Method approach and the London Plan approach;
 - ii) Section 3 – describes the reasons why options have been discounted;
 - iii) Section 4 – explains why the Council prefers the approach of rolling forward the London Plan housing target;
 - iv) Section 5 – recognises the need to be consistent within London;
 - v) Section 6 – emphasises that the ambitious rolled forward housing target can be met;
 - vi) Section 7 – explains why the housing target has been rolled forward during the next 15-years;
 - vii) Section 8 – considers the need to uplift housing supply beyond the housing target; and
 - viii) Section 9 – concludes by reiterating some of the main points.

2. Housing need

2.1 Chapter 5 of the Lewisham Strategic Housing Market Assessment 2021/22 Update (EB 16) provides a detailed account of the two main approaches available to the Council when considering future housing need. These are:

- i) Assessing Local Housing Need (LHN) through the Government’s Standard Method; and
- ii) Recognising that housing need has already been established at the London level through the London Plan 2021².

2.2 Both of these options are described below.

The Standard Method

2.3 The Government’s Standard Method was introduced following the 2017 Housing White Paper. It seeks to provide equity and consistency across the Nation and to simplify and speed up the process of deciding on a housing requirement for Local Plans, thereby reducing the time taken to debate this matter at Local Plan examinations in public. Table 5.1 of EB16 identifies the components that make up the LHN calculation for the Borough, based on the Standard Method. The components consist of:

- i) Setting a baseline for household growth over a 10-year period, using the 2014-based national household projections;
- ii) An adjustment to take account of affordability, using the 2020 median workplace-based affordability ratio published by the ONS; and
- iii) Potential adjustments to justify an alternative approach, based on exceptional circumstances. For instance, taking account of regeneration strategies, strategic infrastructure improvements, unmet need from other authorities, affordable housing need, housing to support economic growth, older and specialist housing need, and previous delivery levels. EB16 concluded that no exceptional circumstances have been identified to adjust the Standard Method LHN.

² The London Plan (2021) can be found here: [The London Plan 2021 | London City Hall](#)

- 2.4 For Lewisham, the Standard Method establishes an annual minimum LHN figure of **3,336** dwellings for the period 2021-2031. This reflects the significant household growth and affordability pressures at the local level and results in a substantial local need for housing. In Lewisham, if this LHN figure was used as the next housing target, it would require a more than significant shift upwards from previous housing targets. Despite those targets having consistently increased incrementally during previous iterations of the London Plan – from 975 in 2011/12, to 1105 in 2012/13 to 1,385 in 2015/16 and 1,667 in 2021/22.
- 2.5 It is important to note that the Standard Method LHN is a purely theoretical calculation to derive Objectively Assessed Housing Need (OAHN) and takes an entirely “policy off” approach. It does not adjust the calculation to take account of existing policies or land use designations nor take account of existing capacity conditions or local constraints.
- 2.6 EB16 emphasises, that Lewisham’s LHN can be capped at 40% above the housing requirement figure set out in existing policy that has been adopted in the last 5 years, i.e., 40% above the London Plan housing target of 1,667. With the cap applied this equates to an LHN of **2,334** dwellings per annum for Lewisham.
- 2.7 However, Paragraph 61 of the NPPF (September 2023) recognises that *“To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach”*.

The London Plan (2021)

- 2.8 The Council considers that the housing targets set out in the London Plan can be justified as an exceptional circumstance. London Boroughs function within a different planning regime than the rest of the Nation. The Lewisham Strategic Housing Market Assessment (EB16) acknowledges that in the context of assessing housing need in Greater London, it is clear that the London Plan is responsible for establishing London-wide need and disaggregating this to individual boroughs. The responsibility for the overall distribution of housing need in London lies with the Mayor rather than individual boroughs. Local Boroughs should use the housing target in the London Plan and should not seek to devise their own housing target when preparing new Local Plans.
- 2.9 This approach is emphasised in paragraph 1.4.4 of the London Plan which states: *“The London Plan is able to look across the city to plan for the housing needs of all Londoners, treating London as a single housing market in a way that is not possible at a local level. In partnership with London Boroughs, the Mayor has undertaken a London-wide Strategic Housing Land Availability Assessment (2017)³. It identifies where the homes London needs can be delivered. From this the ten-year housing targets have been apportioned for each London Borough, in Table 4.1. London Boroughs can rely on these targets when developing their Development Plan Documents and are not required to take account of nationally derived, local-level need figures”*.
- 2.10 Table 4.1 of the London Plan apportions housing targets across all London Boroughs. The minimum housing target allocated for Lewisham is 16,670 net new homes during

³ This strategic technical evidence document was being prepared to support London plan-making but has also informed local plan-making across the Capital. As technical evidence it was assessed through the London Plan examination. It can be found here: [Strategic Housing Land Availability Assessment | London City Hall](#)

the period 2019/20 to 2028/29. This equates to **1,667** dwellings per annum. It is this housing target that forms the Council's preferred approach for planning for housing growth and has been applied and rolled forward in the new Local Plan.

- 2.11 Importantly, the 1,667 dwellings per annum housing target takes a “policy on” approach. It takes account of the housing need identified across the Capital in the London-wide Strategic Housing Market Assessment (2017) and the findings of the London-wide Strategic Housing Land Availability Assessment (2017). The latter was based on borough-level assessments of the availability of land. It also takes account of existing policies, land use designations and the existing capacity conditions and local constraints on different sites across the Borough and thereby provides a more realistic target and can therefore be classed as achievable.

How does the LHN housing requirement compare to the London Plan target? (1.5i)

- 2.12 To reiterate, the difference between the two options outlined above is significant. The Standard Method LHN takes a “policy off” approach and results in the need for 3,336 per annum. This is capped at 2,224 dwellings per annum given that the adopted London-level planning policy is less than 5 years old. The London Plan housing target takes a “policy on” approach and considers need across the whole of London and apportions it across the London Boroughs, having taken account of land availability and capacity across London. This results in a lower, more realistic, but still ambitious, housing target for Lewisham of 1,667 dwellings per annum.
- 2.13 This situation is not unique to Lewisham. Many London Borough's LHN figures, as calculated through the Standard Method, are significantly higher than that finally identified and allocated through the London Plan.

3. Discounted options

- 3.1 The Council has considered a range of options when considering the most appropriate housing target for the Local Plan. The options that have been discounted are summarised below.

The housing target options assessed in the SA/IA and why they were discounted? (1.5iii)

- 3.2 The Integrated Impact Assessment (PD 04) explored six growth scenarios, or reasonable alternatives, which can be expressed as one baseline and five additional scenarios that provide for different levels of growth, with differing percentage uplifts at specific locations across the borough, consisting of:
- i) Scenario 1 – assumes that the Bakerloo Line Extension is unlikely to be delivered during the plan-period⁴ and that as a consequence growth will be delivered at the projected baseline position.
 - ii) Scenario 2 – also assumes that the Bakerloo Line Extension is unlikely to be delivered during the plan-period but that a 20% uplift in delivery will be achieved in Catford Town Centre through the application of higher development densities.

⁴ For clarity, the Integrated Impact Assessment assumed delivery to be completion of either Phase 1 and Phase 2 of the Bakerloo Line Extension during the life of the new Local Plan.

- iii) Scenario 3 – considers that Phase 1 of the Bakerloo Line Extension will be delivered during the plan-period and that as a consequence New Cross and Lewisham each achieve an uplift of an additional 10% through increased development.
- iv) Scenario 4 - considers that Phase 1 of the Bakerloo Line Extension will be delivered during the plan-period and that as a consequence New Cross and Lewisham each achieve an uplift of an additional 10% through increased development, and that a 20% uplift in delivery will be achieved in Catford Town Centre through the application of higher development densities.
- v) Scenario 5 – considers that both Phase 1 and Phase 2 of the Bakerloo Line Extension will be delivered during the plan-period and that as a consequence uplift in delivery will be experienced along its entire length, including a 100% uplift in growth at Bell Green / Lower Sydenham.
- vi) Scenario 6 - considers that both Phase 1 and Phase 2 of the Bakerloo Line Extension will be delivered during the plan-period and that as a consequence uplift in delivery will be experienced along its entire length, including a higher 200% uplift in growth at Bell Green / Lower Sydenham.

3.3 Paragraph 7.2.1 of PD04 explains that the higher growth scenarios perform well in a number of respects, but that there would be environmental tensions that would need to be managed. Critically, the higher growth scenarios would need to be facilitated and supported by the Bakerloo Line Extension. It is highlighted that implementing Scenarios 2-6 would be difficult given the Greater London Authority is not supportive of London Boroughs planning for a level of growth above the target rate set out in the London Plan, in the absence of certainty on improvements to transport infrastructure.

3.4 Box 5.2 of PD04 also identified other unreasonable growth scenarios that have been ruled out from the outset, including focussing growth in Opportunity Areas only, distributing growth evenly across the borough and interestingly, meeting LHN in full. With regards to the latter, it states that there is a need to caution against planning for a level of growth in excess of the London Plan target, without the delivery of the Bakerloo Line Extension.

3.5 This point was reiterated in paragraph 131 of the London Plan Panel Report (2019)⁵ that stated: *“Owing to the transitional arrangements for spatial development strategies the local housing need assessment referred to in the 2019 NPPF is not directly relevant to the current calculation of need in London. Therefore, the local housing need process would not apply, at the earliest, until the London Plan is reviewed”*.

3.6 Furthermore, the Secretary of State did not direct changes to the London Plan on this matter as he accepted the approach to meeting housing need in the adopted London Plan.

3.7 Waltham Forest Local Plan proposed a housing target in excess of their London Plan target. Their Inspector concluded that this approach was not appropriate and that it would be necessary to reduce the housing requirement so that it is in general conformity with the London Plan and the 10-year target set out in Table 4.1 of the London Plan.

⁵ The London Plan Panel Report (2019) can be viewed here: [Inspectors Report | London City Hall](#)

- 3.8 Whilst the Standard Method is an advisory starting point for establishing a housing requirement for the area, national planning policy and guidance provides flexibility when assessing and calculating housing need where there are exceptional circumstances to justify an alternative approach. The Council considers that the housing targets set out in the London Plan can be justified as an exceptional circumstance.
- 3.9 On this basis, the Council has discounted the option of applying the Standard Method LHN in identifying the new Local Plan housing target.
- 3.10 The Council's responses to other Initial Questions raised by the Inspectors are pertinent here, as they contribute towards demonstrating that the Standard Method LHN is an inappropriate approach for the Council to take in preparing the Local Plan.
- 3.11 The Council's response to IQ8 (which relates to the Greater London Authority's opinion on rolling forward the London Plan housing target) states that the Greater London Authority objected at Regulation 18 stage to the reference to the Standard Method LHN in Policy HO 1. Most notably because London, unlike the remainder of the Nation, remains subject to a statutory strategic plan-making tier as provided by the London Plan. It is for the London Plan to set the LHN following an established methodology consistent across the Capital.
- 3.12 The Council's response to IQ9 (which relates to adjoining authorities meeting unmet need from a potentially higher LHN) acknowledges that discussions with surrounding boroughs took place on the possibility of redistributing unmet housing need, to meet the Standard Method LHN. In particular, during the January and June 2019 South-East London Duty to Cooperate Group meetings, the Council raised the option of working towards the Standard Method LHN. This would have resulted in going above the London Plan housing targets, and that in order to do this, unmet need should be addressed in Statements of Common Ground. The surrounding boroughs felt this to be an unsound approach, given that:
- i) there was an up-to-date target in the London Plan, that all the surrounding boroughs are working towards;
 - ii) the London-wide Strategic Housing Land Availability Assessment (2017) provides the evidence in terms of housing capacities which demonstrates that it is not possible to meet the Standard Method LHN;
 - iii) it will set a precedent and will impact on the surrounding Local Plans' housing targets;
 - iv) the Greater London Authority are unlikely to support such an approach;
 - v) the surrounding boroughs would be unlikely to sign a SOCG if this approach is used.
- 3.13 The Council also felt it useful to revisit this approach more recently, to establish whether or not the housing target could be increased, thereby seeking to close the gap in meeting the Standard Method LHN capped figure of 2,334 dwellings per annum. The results were conclusive and point towards the Standard Method LHN being an inappropriate option for the Local Plan:
- i) The Council met with its neighbouring London Boroughs of Bexley, Bromley, and Southwark in March 2021, as part of the Regulation 19 consultation. When asked if they were willing to take on any of Lewisham's unmet housing need associated

with the Standard Method, Southwark and Bromley expressed that it is the role of the Mayor of London to set housing targets across London and that the London Plan met the transition arrangements. Furthermore, Southwark highlighted that their target based on the London Plan housing requirement was not queried at their examination in public; and

- ii) The Council met with Dartford Borough Council in March 2021, as part of the Regulation 19 consultation. When asked if Dartford was willing to take on any of Lewisham's unmet housing need associated with the Standard Method. Dartford Borough Council replied that they would prefer that this issue be dealt with on a strategic London-wide basis via discussions with the Mayor of London. It is highlighted that Dartford Borough Council has also had requests to take on unmet housing needs from other surrounding District Councils and so it is unlikely that they can accommodate Lewisham's unmet housing need. This is especially if Lewisham can already demonstrate a sufficient supply of housing to meet the London Plan housing target.
- iii) The issue of unmet housing need was revisited again between August and November 2023 during the signing of the Statements of Common Ground with Bromley (SOCG1), Greenwich (SOCG2), Southwark (SOCG3) and Bexley (SOCG4). It is noted that all four SOCG contain agreements that state *"Both parties will continue working towards meeting or exceeding their London Plan housing requirement within the confines of their own borough's administrative boundary"* Some also note: *"...without requesting assistance from neighbouring authorities to accommodate unmet need"*.

Whether there would be sufficient capacity to meet the LHN and the rationale for discounting the LHN figure (1.5vi)

3.14 It is clear that the level of growth required to meet the Standard Method LHN, capped at 2,334 dwelling per annum, would be undeliverable during the Local Plan period. To reiterate, this approach does not take account of:

- i) Limited capacity - there is limited capacity to accommodate growth across the Borough. The level of growth advocated by the Standard Method LHN exceeds that which can be delivered through the proposed site allocations and predicted windfall allowance;
- ii) The bespoke strategic environment in London – whereby housing targets are determined via the higher tier London Plan and apportioned to each London Borough, based on borough-level assessments of housing capacity; and
- iii) The inability of neighbouring boroughs to accommodate any unmet need.

3.15 A further three options to identify the new Local Plan housing target have also been discounted by the Council. These options are:

- i) Rolling forward the London Plan housing target for Lewisham of 1,385 dwellings per annum, which was current at the time the Main Issues and Preferred Approaches Document (Regulation 18) was prepared. This option was discounted because the new Local Plan evidence base, such as the London-wide Strategic Housing Land Availability Assessment (2017) and the initial capacity assessments of the site allocations demonstrated that the Local Plan could deliver beyond this level of growth. Instead, the Council's preferred option is to align with the 1,667 dwellings per annum target in the adopted London Plan. This allows the new

Local Plan to be consistent with the higher tier London Plan, and in turn ensures the longevity of the Local Plan.

- ii) Using the findings of the London-wide Strategic Housing Land Availability Assessment (2017) by adding the London Plan target of 16,670 dwellings for 19/20-28/29 to the London-wide Strategic Housing Land Availability Assessment (2017) capacity figures of 3,552 dwellings for 'phase 4' (29/30-33/34) and 1,364 dwellings for 'phase 5' (34/35-40/41) together. This generates an overall target of 21,586 dwellings, which is significantly below the rolled forward London Plan housing target approach preferred by the Council.
- iii) Using an alternative to the Standard Method where exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. The Council carefully reviewed this but found that no exceptional circumstances were relevant. The Lewisham Strategic Housing Market Assessment (EB 16) also came to the same conclusion.

4. Preferred option

4.1 This section seeks to provide a rationale for deciding to take forward the London Plan annual target for the remainder of the Local Plan period. (1.5ii)

The housing target options assessed in the SA/IA and why the preferred option was chosen (1.5iii)

4.2 Box 8.1 of the Integrated Impact Assessment (PD 04) recognises that the spatial strategy, as outlined in Policy OL 1, focusses growth at:

- i) The two designated Opportunity Areas in the north of the Borough;
- ii) The Strategic Area of regeneration that stretches along the south and south-east of the borough;
- iii) Lewisham and Catford major town centres and a range of district centres;
- iv) The A21 corridor (Lewisham High Street, Rushey Green and Bromley Road) and other strategic corridors (New Cross Road/A2);
- v) Locations that will support the case for strategic infrastructure upgrades with a focus around Bell Green and Lower Sydenham, with a view to supporting Phase 2 of the Bakerloo line Extension;
- vi) Optimising densities at sites in appropriate locations where it serves to secure a good mix of uses; and
- vii) Proactively supporting development of smaller sites, with sensitive intensification for some suburban areas.

4.3 Much of this spatial strategy is already committed, as a significant proportion of the proposed site allocations already have planning consent. There are a number of policy designations such as Metropolitan Open Land (MOL), open space and SINC that restrict where development can take place. The Local Plan also needs to be in general conformity with the policies in the higher tier London Plan. This means that there is limited potential to consider reasonable alternatives through the Integrated Impact Assessment process.

- 4.4 The Integrated Impact Assessment (PD 04) explored six growth scenarios, or reasonable alternatives. These are detailed above under Paragraph 3.2 to 3.4 that explain how Scenarios 2-6 have been discounted, leaving Scenario 1 as the preferred option.
- 4.5 Paragraph 9.7.22 of PD04 states: *“With regards to the spatial strategy, the identified supply is sufficient to enable the housing requirement to be set at the level of the London Plan housing target (1,667 homes per annum) over the entirety of the Local Plan period, with a healthy supply buffer to reflect delivery risks. The proposal is also to ensure flexibility to deliver higher growth under a scenario whereby the Bakerloo line Extension comes forward”*.

The evidence in the London-wide Strategic Housing Land Availability Assessment (2017)/local evidence in terms of housing land capacity and how this influenced the preferred option of rolling forward the London Plan target. (1.5iv)

- 4.6 The Council fed into the London-wide Strategic Housing Land Availability Assessment (2017) by carrying out a Borough-level assessment of sites and identifying them as either:
- i) suitable for housing – consisting of approvals, allocations, potential development sites and sites with a low probability of being developed;
 - ii) not suitable for housing – consisting of sites with zero probability of being developed such as employment land, unsuitable sites because they are designated SIL, SINC or MOL and excluded sites because they have been recently developed, are heritage assets or education, transport or cultural infrastructure that needs to be retained.
- 4.7 The Borough-level assessment determined the likely capacity that could be accommodated within the sites suitable for housing, by applying densities suitable to their locality and accessibility levels, local characteristics and considering the presence of physical or policy constraints.
- 4.8 The Borough level assessment also determined the likely timescales for delivery depending upon the propensity of the site to be developed and assigned sites into different phases: Phase 1 2017-19, Phase 2 2019-24, Phase 3 2024-29, Phase 4 2029-2034 and Phase 5 2034-41. Only the sites deemed as suitable for housing, with capacity allocated in Phases 2 and 3, contributed to the housing targets found in Table 4.1 of the London Plan.
- 4.9 In conclusion, it is therefore sensible to align the housing target in the new Local Plan with the target in Table 4.1 of the London Plan, as the Borough level assessment has directly influenced this, and can therefore be classed as realistic. Given that the Borough level assessment considered capacity and delivery beyond Phase 3 of the London-wide Strategic Housing Land Availability Assessment, it is also reasonable to assume that the rolling forward the housing target beyond the London Plan period is a justified action to take.

Refinement of the housing target

- 4.10 Rolling forward the 1,667 dwelling per annum target is not a true reflection of the figures found in the London-wide Strategic Housing Land Availability Assessment (2017). This is because the capacity of sites is shown as 3,552 for ‘phase 4’ (29/30-33/34) and

1,364 for 'phase 5' (34/35-40/41). If the Council had applied these figures to the housing target, a stepped approach would have been necessary, with growth dropping at 2022/29 and then again at 2034/35.

- 4.11 However, circumstances have changed since 2016/17 when the Borough level assessment was carried out. As the Local Plan has progressed through Regulation 18 and 19 stages of plan-making, the findings from the London-wide Strategic Housing Land Availability Assessment (2017) have been revisited. Some sites originally categorised for development in Phases 4 and 5 have been brought forward, for instance where sites have made progress towards achieving a planning consent. Some of the sites originally considered as low probability of being developed or unsuitable for housing have also been reconsidered and have been included as site allocations with the new Local Plan.
- 4.12 The housing supply has also been optimised further by new sites coming forward through planning consents as well as new site allocations being identified through discussions with developers, landowners, other Council departments and delivery partners, and through the call for site exercises.
- 4.13 The findings emerging from the new Local Plan's evidence base have also fed into the plan-making process:
- i) The Lewisham Characterisation Study (EB 08) provides a better understanding of Lewisham's distinctive local character and has been used to inform a "character-led" and "place-based" approach to managing growth across the Borough;
 - ii) Residential Density Technical Paper (EB 06) provides a sense check of the deliverability of residential densities, taking account of recent development trends within the Borough;
 - iii) Evidence base work on Tall Buildings (EB 01, EB 02 and EB 05) generated a tall buildings sensitivity map and identified areas appropriate for tall buildings.
- 4.14 So the evidence base has helped to refine the capacities originally identified in the London-wide Strategic Housing Land Availability Assessment (2017), to arrive at the indicative capacities set out in each site allocation within the Submitted new Local Plan.
- 4.15 To reflect these changes since 2017, the Housing Trajectory – Update to Appendix 6 (PD 18) now contains a supply of housing that demonstrates more growth than that established in the London-wide Strategic Housing Land Availability Assessment (2017). This means that a higher target that rolls forward the London Plan's 1,667 dwellings per annum housing target (based on Phases 2 and 3) provides a sensible yet ambitious approach.
- 4.16 The Site Allocations Background Paper (EB 15) provides an in-depth account of the robust site identification and site assessment process carried out throughout the preparation of the Local Plan and explains that a "no stone unturned" approach has been taken. This demonstrates that the supply of housing has been optimised as far as possible. In particular it explores how the indicative capacity, mix of uses and phasing for each of the site allocations were established, to demonstrate that the housing target proposed is achievable.

- 4.17 So to recap the Council’s preferred option takes a pragmatic but sound approach of rolling-forward the adopted London Plan Housing Target, as an annualised figure for the period 2029/30 – 2038/39.
- 4.18 The Housing Trajectory - Update to Appendix 6 (PD 18) provides details of how the housing target for the Local Plan has been refined further. It now consists of the following components:
- i) The 10-year London Plan housing target of 1,667 dwellings per annum, applied from the start of the Local Plan period to the end of the 10-year London Plan housing target period (2020/21 to 2028/29);
 - ii) The rolling forward of the 1, 667 dwellings per annum, up till the end of the 15-year housing supply period (2029/30 to 2038/39);
 - iii) The inclusion of the London Plan’s small site target of 379 dwellings per annum, as part of the 1,667 dwellings per annum supply mentioned above;
 - iv) An additional 579 dwellings per annum, applied up till the end of the first 5 years (2023/24 – 2028/29), to cater for a backlog generated by poor delivery since the start of the Local Plan; and
 - v) A 5% buffer, with an additional 112 dwellings per annum applied over the next 5 years (2024/25 to 2028/29).
- 4.19 This generates a housing target of **28,460** dwellings over the next 15 years (2024/25 – 2038/39). This housing target is considered by the Council to be sound. It is justified, effective and consistent with National and London Plan policy. Importantly, this preferred approach is ambitious, it seeks to significantly boost housing supply and delivery over the lifetime of the Plan.

5. Consistency across London

- 5.1 It is true that the period covered by the Local Plan is not in direct alignment with the London Plan. The current London Plan housing target relates only to the first 10 years (2019/20 - 2028/29) whereas the housing target for the new Local Plan is anticipated to be 15-years from the anticipated year of adoption (i.e., 2024/25), in line with the NPPF. The new Local Plan housing target therefore runs to 2038/39, ten years beyond the London Plan housing target. This is not unusual and is a situation experienced by many London Boroughs – including those that are immediate neighbours to Lewisham.
- 5.2 Importantly, the Greater London Authority has not questioned the soundness of the Local Plan and has not raised the rolling forward of the housing target as an issue of general conformity with the London Plan. Instead, the Greater London Authority provided advice in their responses to the Regulation 18 and 19 consultations, and the Council has amended the approach taken in the new Local Plan accordingly:
- i) At Regulation 18 stage the Local Plan contained Policy HO 1(A) (b) that seeks “to optimise the capacity of housing sites in order to ensure that delivery against Lewisham’s Local Housing Need figure is maximised”. The Greater London Authority stated that the references to LHN as per the Standard Method in Policy HO 1 (A) (b) appear unnecessary and confusing, as within London the London Plan is responsible for establishing and distributing London’s housing requirement across the Capital. The Council has amended Policy HO 1 (A) (b) in

direct response to this, so that at Regulation 19 stage the new Local Plan no longer refers to the LHN and instead now refers to exceeding the NPPF's 15-year target; and

- ii) At Regulation 19 stage – the Greater London Authority provided advice that if the Council are rolling forward the 1,667 dwellings per annum London Plan housing target beyond 2029, they should consider the guidance set out in paragraph 4.1.11 of the London Plan. The Council has complied with this advice as it has drawn on the findings from the London-wide Strategic Housing Land Availability Assessment (2017) findings and the Site Allocations Background Paper (EB 15). Consideration was also given to additional capacity that could be delivered as a result of any committed transport infrastructure improvements and further explanations on this are provided in paragraphs 3.2- 3.4 and 8.2 – 8.4. The housing target also rolls forward the housing target of 379 per annum in Table 4.2 of the London Plan.

5.3 During the preparation of the Statement of Common Ground, the Greater London Authority eluded that other London Boroughs have taken the same approach, where they have rolled forward their London Plan housing requirements beyond the London Plan period, and that these have been found sound. Some examples of this, as a legitimate and pragmatic solution to address LHN within the London context, include:

- i) Barking and Dagenham base their housing target on the London Plan targets for 19/20-28/29 then used the London-wide Strategic Housing Land Availability Assessment (2017) capacity figures for 'phase 4' 29/30-33/34 and 'phase 5' 34/35-40/41 for the remainder of their Local Plan period. Their Local Plan went out for Main Modification consultation in February 2024;
- ii) Southwark seeks to deliver sufficient homes between 2019 and 2036, at a rate of 2,355 new homes per annum, equivalent to rolling forward their London Plan annual housing requirement. Their Local Plan was found sound and was adopted in 2022; and
- iii) Bexley's housing requirement is calculated by applying the 10-year housing target up to 2028/29 then using their annualised London Plan housing target for the remainder of the Local Plan period, up to 37/38. They also rolled forward the windfall allowance for small sites and considered the results of the London-wide Strategic Housing Land Availability Assessment (2017) and local evidence of capacity as expressed in the site allocations. Their Local Plan was found sound and adopted in 2023.

6. Local Plan period

6.1 The Inspectors' observed that the new Lewisham Local Plan Policy HO 1 sets out the housing target up to 2037/38 instead of end of the Local Plan period.

The housing target should reflect the Plan period which runs to 2040.

6.2 In relation to this, the Schedule of Modifications (PD 11) contains three modifications MO29, MO30 and MO32 that seek to make amendments to Policy HO 1 (A) (a) and (b) and supporting paragraph 7.2. This is necessary to align with the Housing Trajectory - Update to Appendix 6 (PD 18) that was prepared just in advance of the Submission of

the Local Plan to the Secretary of State. The modifications roll forward the end date for the housing target from 3037/38 to 3038/39.

- 6.3 Whilst the new Local Plan runs to 2040, it is not necessary for the housing target to run up to 2040. This is because the Local Plan covers a period of 20 years but there is no requirement to assess housing supply against housing targets beyond 15 years. Paragraph 69 of the NPPF states that *"...plans should identify a supply of specific, deliverable sites for 5 years following the intended date of adoption...and specific, developable sites or broad locations for growth, for the subsequent years 6-10 and, where possible, for years 11-15 of the remaining plan period"*.
- 6.4 The Housing Trajectory – Update to Appendix 6 (PD 18) does this by considering the housing supply, against a 15-year housing target. Based upon the fact that the new Local Plan is anticipated to be adopted by 2024/25 and forms Year 1, the 15 years runs to the end of 2038/39.

Future review

- 6.5 In reality, the Council considers that a housing target for year 2039/40 is somewhat academic. This is especially so, given the Government's commitment to speed up the plan-making process. Particularly, the Council highlights Paragraph 33 of the NPPF states that *"Policies in local plans should be reviewed to assess whether they need updating at least once every five years, and should then be updated as necessary. Reviews should be completed no later than five years from the adoption date of a plan, and should take into account changing circumstances affecting the area, or any relevant changes in national policy. Relevant strategic policies will need updating at least once every five years if their applicable local housing need figure has changed significantly; and they are likely to require earlier review if local housing need is expected to change significantly in the near future"*.
- 6.6 As the new Local Plan is likely to be adopted in 2024/25, it is anticipated that an updated, reviewed, or replacement Local Plan will be in existence, or preparation by 2028/29, well in advance of the end date of this Local Plan.
- 6.7 The Council has been working in partnership with the Greater London Authority, as part of the working group that is progressing the next London-wide Digital Strategic Housing Land Availability Assessment. This is a precursor to, and will inform, the next review of the London Plan. The Council fully anticipates that a new housing target for Lewisham will be identified in the next version of the London Plan in advance of 2038.
- 6.8 To cater for this flexibility, Policy HO 1 (B) states *"The Council will keep under review the Local Plan's strategic housing target...Where changes to the London Plan borough-level housing targets are made the Local Plan review process will be used to ensure Lewisham's Local Plan remains in general conformity with the London Plan"*.

7. Meeting the housing target

- 7.1 It is important that the Council uses a housing target that is realistic, yet ambitious.
The ability to meet the Local Plan targets in the submission draft. (1.5v)
- 7.2 Policy HO 1 seeks to exceed the London Plan 10-year housing target of 16,670 dwellings during 19/20 to 28/29 (equivalent to 1,667 dwellings per annum), as set out in Table 4.1 of the London Plan. The 1,667 dwellings per annum target has been rolled forward throughout the remainder of the 15-year housing supply, up to 2038/39.
- 7.3 The Council has identified sufficient capacity through site allocations, other large, consented sites, and a small sites windfall allowance of 379 dwellings per annum. The latter comes from Table 4.2 of the London Plan, which identifies a 10-year target of 3,790 dwellings net completions to be delivered on small sites (below 0.25 hectares in size) between 2019/20 and 2028/29. The different components of the housing supply are set out in the Council's Housing Trajectory – Update to Appendix 6 (PD 18). It demonstrates that the housing supply is sufficient to meet the 5-year and 15-year targets.
- 7.4 It does not meet the London Plan 10-year housing target due to under performance by the development industry since Covid-19. To rectify this, a backlog of 579 dwellings per annum has been applied up till the end of the first 5 years in 2028/29.
- 7.5 The housing target is not business as usual. It is significantly higher than previous housing targets from earlier iterations of the London Plan and 171% more than in 2011, when Lewisham's Core Strategy was adopted. The new Local Plan is seeking to significantly boost housing supply and delivery, by applying an ambitious rolled forward target of 1,667 dwellings per annum. In that respect the new Local Plan is in accordance with paragraph 60 of the NPPF. The new Local Plan is pursuing a spatial strategy and contains a variety of site allocations that secure a sufficient amount and variety of land to meet need and significantly boost housing supply, in order to meet this ambitious housing target.

8. Increasing capacity

- 8.1 It is evident that the Standard Method LHN, capped at 2,334 dwelling per annum, cannot be fully accommodated within the Local Plan period, but there are a couple of reasons why additional capacity should be considered, beyond the preferred approach of rolling forward the London Plan housing target.

Long term improvements to transport infrastructure.
- 8.2 Paragraph 22 of the NPPF states: *“Strategic policies should look ahead over a minimum 15-year period from adoption, to anticipate and respond to long-term requirements and opportunities, such as those arising from major improvements in infrastructure”.*
- 8.3 This has been addressed in the way that the new Local Plan acknowledges the delivery of the Bakerloo Line Extension and that it may provide longer-term potential to accelerate growth along the route of the railway and specifically allow for

intensification of development in the vicinity of Bell Green/Lower Sydenham. To accommodate this the Housing Trajectory – Update to Appendix 6 (PD 18) identifies that an additional 2,474 homes could be delivered, should the Bakerloo Line Extension be delivered prior to the end of the Local Plan period. However, this element of the housing supply has been kept separate, and additional to, the baseline supply, due to the uncertainty associated with the delivery of transport infrastructure improvements.

- 8.4 Policy HO 1 (A) (b) also provides flexibility by seeking to exceed the 15-year target. It is also anticipated that the Council will maintain an upward trajectory to support the Bakerloo Line Extension beyond the Local Plan period of 2040.

Housing Delivery Test

- 8.5 The latest Housing Delivery Test result was published in December 2023 and identifies that Lewisham has delivered 51% against its housing requirement over the preceding three years.
- 8.6 Paragraph 77 of the NPPF states *“Where there has been significant under delivery of housing over the previous three years, the supply of specific deliverable sites should in addition include a buffer of 20%”*.
- 8.7 The Council now needs to address this, as the Submitted Local Plan and the Housing Trajectory – Update to Appendix 6 (PD 18) only provides for a 5% buffer, as detailed in paragraph 4.18 v) above. The Council will now consider an uplift in the housing supply, for example by intensifying the capacity of site allocations. The Council is confident that this can be achieved within the existing spatial strategy.
- 8.8 Whilst an uplift in the supply of housing will be sought to accommodate a 20% buffer, it is important to balance this with the need to ensure that:
- i) Any uplifts in capacity are considered as part of the design-led process, and assessed against the existing character of the local area;
 - ii) The development proposed is sustainable, deliverable and can contribute to successful place-making; and
 - iii) The development proposed does not compromise the ability to meet other objectives of the Local Plan.
- 8.9 Further details of this proposed uplift in housing supply, assessed against a 20% buffer, will be submitted to the examination prior to the Hearing sessions.
- 8.10 The Council will also be preparing a Housing Delivery Test Action Plan to understand the causes of under-delivery and identify actions that can help to boost the supply and delivery of housing in the future.

9. Conclusion

- 9.1 The background paper has addressed a number of questions raised by the Inspectors in relation to the housing target in the Local Plan. It clearly demonstrates that the Council’s preferred option of rolling forward the London Plan housing target is the most appropriate for the Local Plan.