A new plan for London
Proposals for the Mayor's London Plan
London First Response
29/06/09

1. INTRODUCTION

1. London First welcomes the opportunity to respond to the Mayor's initial proposals for the London Plan Review. We look forward to working with the Mayor, his advisers and officers on emerging policy. We will also be responding to the Mayor's transport, housing and economic development strategies.

2. London First is a business membership group whose aim is to make London the best city in the world in which to do business. We do this by mobilising the experience, expertise and enthusiasm of the private sector to develop practical solutions to the challenges London faces and to lobby government for the investment that London needs in its infrastructure. London First delivers its activities with the support of around 250 of the capital's major businesses in key sectors such as finance, professional services, property, creative industries, hospitality and retail. Our members represent around a quarter of London's GDP.

3. London First welcomes:

   - The commitment to accommodate London's population and economic growth;
   - A more pragmatic approach to affordable housing policy including greater emphasis on the need for intermediate housing;
   - Support for innovation, research and higher and further education;
   - An approach to the delivery of decentralised and renewable energy based on area-wide infrastructure;
   - An approach to new waste facilities based on fewer, larger sites;
   - Support for development of bespoke accommodation for the elderly and students; and
   - The Mayor's proposals to work with the HSE and boroughs to address the impact of major hazards on development.

4. London First considers that:

   - Support for the CAZ, which is crucial to national economic well being, should be strengthened with clear prioritisation of commercial development and priority in planning obligations for transport and public realm improvements;
   - Policies to support outer London must be based on, and fully recognise, its complementarity with central London;
   - Policy should be strengthened to ensure review and release of surplus employment sites for mixed use and residential development;
   - Policy on heritage and conservation must be balanced with the need to maintain and enhance London's position as a world city and accommodate population and economic growth;
   - Aviation policy should reflect national policy and have regard to the Mayor's policy and geographic jurisdiction and the Mayor's objective to ensure London is an internationally competitive city;
   - There should be greater clarity and prioritisation of planning obligation priorities;

- Policy on planning obligations should include the consideration of economic viability of development and, as for affordable housing, should be set in the context of seeking to encourage, and not restrain, development;
- Greater clarity is needed on how affordable housing will be sought on new developments;
- Policy requirements to improve the quality of new housing must be set against other planning requirements and obligations. It is not appropriate to set space standards for market housing.

Planning to accommodate London's Growth

5. The Mayor's data show that in the Plan period to 2031 London will continue to see significant population and economic growth. London's age profile means that it is experiencing substantial natural population growth: birth rates are two and a half times death rates. Under any realistic understanding of trends in migration London's population will continue to grow. It is therefore critical to plan to accommodate this growth, ensuring sufficient homes and supporting infrastructure as well as accommodating employment growth. Planning to accommodate growth is not an option but a necessity for a sustainable London.

6. The Mayor is therefore right to retain, as the Plan's fundamental objective, the need to accommodate London's population and economic growth. This is not just critical for the capital but also for the well-being of the UK economy. London accounts for 19% of national economic output and contributes between £8 billion and £18 billion more in taxes annually than it receives back.

7. The London Plan has been important in setting a vision for the capital and giving investors confidence over its future direction. It is vital that it continues to do this and to support the development needed to ensure growth is sustainable.

Context of change

8. Many of the Mayor's objectives will be delivered through private investment. Whilst forecasts show that London's economy and population will continue to grow over the plan period to 2031, the review is being carried out in a period of recession with the worst development market for decades. Previous London Plans were prepared in the context of strong economic growth and rising demand. London is now in recession with limited availability of commercial and personal finance and low demand for commercial and residential property. Whilst fundamental supply/demand imbalance remains for housing, the market will struggle to respond in the short term (as already evidenced in data for housing starts). Policy, drafted for the duration of the plan must have inherent flexibility to enable the private sector to rise to these issues and challenges. This will be crucial to deliver both market and affordable housing, as the majority of affordable housing is delivered through s106.

9. It is therefore critical that policies are drafted and applied sensitively, and that planning obligations and requirements are not so great as to deter development. Development and regeneration remains vital to London economically, socially and to facilitate environmental improvement. In a strong and rising market, the Mayor, boroughs and their communities have grown used to substantial obligations and benefits from development. In the current circumstances, this is not possible, but development remains as critical to the capital. Planning authorities must therefore be realistic in what obligations can be sought from development and recognise the benefits development brings in itself.

10. The Mayor should, in his decisions and in dealing with boroughs, stress the importance of facilitating development and encourage flexibility and realism on the level of obligations development can sustain. Clear prioritisation is needed of the many obligations and requirements.

11. Given the severe constraints on public sector funding and the inability of much development to provide the level of s106 communities and planning authorities have been used to (and which policies seek), where there is insufficient funding (from development or public grant) for infrastructure difficult decisions will need to be made. In many cases development should still be allowed to proceed as it is needed in its own right, to deliver regeneration and investment, and will provide the case for future infrastructure funding. Whilst this might not be ideal, it is preferable to a moratorium on development which would be extremely damaging to London.

New approach to planning

12. Strategic planning policy and decision making must balance local with pan London, and sometimes national, issues. We welcome the Mayor's commitment to an outcome based, rather than target driven, approach to planning and planning policy, and to focus on 'genuinely strategic issues'.

13. Mayoral planning policy should focus on areas where it can add value by addressing pan-London issues. Too much planning policy creates uncertainty and slows delivery. Mayoral policy should be strategic, not duplicating national guidance or addressing areas better dealt with locally. Supplementary planning guidance should only be prepared where it is necessary to provide further advice on policy implementation. It should not repeat the London Plan or seek to introduce new policy.

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LONDON'S PLACES

14. We support the Mayor's proposals to ensure London maintains its position as a world city. This is particularly important in the short term as measures are proposed in response to the banking crisis. It will be critical that these are appropriate, avoid over-reaction to recent events, and do not undermine London's competitiveness and attractiveness to globally mobile companies.

15. Greater co-ordination with neighbouring regions including on growth corridors is welcome. It is important to recognise the inter-related nature of the regions, especially economically and in transport and housing. Co-ordination is also required around issues such as waste where it is not realistic for a highly constrained, growing world city to achieve the same level of self sufficiency as other regions.

16. We support the changes to the sub-regional boundaries and the flexible approach to sub-regional working.

Outer London

17. We support initiatives to address the challenges of outer London and improve its performance economically and in quality of life. Our response to the Outer London Commission is included in Appendix One.

18. Outer London already plays an important role in the London economy: it is home to 60% of London's population and 40% of employment. 60% of Outer London residents work there with just a third commuting to inner or central London. 60% of forecast employment growth is in outer London.

19. Policies should recognise the complementary role of outer London to the central London economy and work with the grain of the market, building on outer London's existing and developing specialisms and strengths.

20. There are no policies in the current London Plan which prohibit development in outer London, and it is essential that this principle is maintained. In the context of extremely limited public expenditure over the short and medium term, major interventions that might cause market shifts are extremely unlikely. It is therefore critical to work with the grain of the market and not seek to direct demand to particular locations.

21. Given public funding constraints, many of the improvements sought to the environment and quality of life in outer London will be achieved through private investment. It is critical that development is therefore supported and that planning policies are sensitive and flexible to encourage it.

Inner London

22. It would be useful for inner London to be defined with an explanation of the issues that the London Plan review seeks to address.

Central Activities Zone (CAZ)

23. The Mayor has a vital role in protecting, promoting and enhancing the CAZ, and the London Plan is a crucial tool for doing this. The CAZ is the most important part of the country economically, culturally and for leisure, retail and tourism. It is the area of London most known internationally. The health of the country's economy is dependent on a successful and properly functioning CAZ which needs continued investment and development to remain attractive and competitive.

24. The importance of the CAZ is well articulated in "Rising to the Challenge", the Mayor's proposals for the economic development strategy. The text should be included within the London Plan. It is highlighted that [p 22]:

    "One factor in London's attractiveness is London's Central Activity Zone, identified as being vital to world-beating businesses."

25. Alongside trade and globalisation London's success is attributed to [p16]:

    "The agglomeration of a significant proportion of London's high value economic activity in the CAZ, where most of London's globally orientated business is conducted. .... GVA per head in inner London was £52,857, nearly three times as much as the national average. Only Manhattan and Tokyo rival central London's extraordinary wealth creation."

26. The CAZ is described as:

    "a medley of distinct quarters; for example financial and business services mostly occupy the City, Canary Wharf and Mayfair; the focal point for retail and entertainment is the West End; legal and government activity is predominantly carried out in Holborn and Westminster; while the creative industries congregate around Soho, Covent Garden and Farringdon. Thirty per cent of London's jobs are located in just two per cent of its land area. This concentration of economic activity and the associated high land values show that businesses are willing to pay a premium to locate near other firms. They pay to have unrivalled access to markets, labour and complementary businesses; executives from a company contemplating a global deal have immediate access to the top international financiers, lawyers and PR people. They all benefit from knowledge spilling over from firm to firm and sector to sector; this adds greatly to the centre's higher productivity and makes companies willing to pay higher rents. The high land values also mean that London becomes a world leader in high value sectors, rather than low value ones such as mass production. Although technological advances enable companies to do more tele-working, the benefits of agglomeration are so great they are likely to want to remain based in the centre close to their customers, service providers, employees and competitors."

27. In addition to financial services, the CAZ is home to the UK's leading business services including legal services (with over 200 overseas law firms and the headquarters of four of the world's six largest law firms) and accountancy.

28. We welcome the Mayor's commitment to work with stakeholders to address the challenges facing the CAZ. Whilst the Opportunity Areas within the CAZ are undoubtedly important in accommodating growth in the CAZ, it should not be confined to these areas. We also do not agree that the City, central as it is to the UK's economy, is the only strategically important cluster of commercial activity.

The West End

29. The West End is one of the country's three most important office markets alongside the City and Canary Wharf. It is the home to many international headquarters and institutions. It is critical that it continues to accommodate office headquarters and offer flexible, modern space. It has consistently been one of the most expensive office locations in the world as a result of strong demand and highly constrained supply. The most recent London Office Policy Review in 2007 reported that availability fell from 6.4% to 5.4% during 2006 with headline rents increasing by 22% to £890 per m^2, more than twice the rate of increase in 2005. Rents have shown a clear long-term upward trend over the past 20 years.

30. Development capacity in the West End is more constrained by heritage constraints including strategic views and conservation areas than other parts of the CAZ. Where sites are redeveloped there is therefore limited scope to increase capacity. Opportunities where they do exist must be maximised.

31. In a recent report commissioned by Westminster City Council[1], Drivers Jonas concluded that Westminster's policy on mixed use and conservation is responsible for reducing office stock in one of the world's foremost office markets, which is driving up rents. The report recommends that the balance of uses and values in Westminster should be considered in the context of London as a whole.

32. The report highlights that office developers are restricted by conservation areas, listed buildings, high residential values, and the need to provide housing and affordable housing. It found that:

- Prime West End rents are the highest in the world by some margin.
- Rents in sub-markets have reached record levels in all sub markets.
- Prime Mayfair rents are double their 1980 values in real terms.
- Prices are not driven by demand which is running at average levels.
- Planning policy has been driving the delivery of housing.
- The West End has consistently produced less new office space than the City.
- The West End is the only European central business district where the office stock has fallen.
- Analysis of planning permissions highlights further potential for a net loss of office stock in all sub markets, bar Paddington.
- Policy to promote housing has therefore been successful but at the expense of office availability and high rents.

33. It is therefore critical that policy encourages and supports office development, ensuring stock is regenerated, and occupiers offered the best quality space. Policy should ensure that there is no further loss of office stock in this strategic office location of national importance.

34. As stated in the Mayor's response to Westminster's Core Strategy preferred options, policy should:

"seek to sustain and enhance the Central Activities Zone as the country's most important strategic office location to ensure there is adequate capacity to meet future demand with supporting policies to enhance the zone as a globally attractive business location."

[1] The importance of the historic environment to the office market in Westminster, December 2007, Drivers Jonas

Mixed use policy

35. Mixed use policy can lead to sub-optimal outcomes in terms of the supply of office space (and therefore for London's economy) as well as for building design and function (through incorporating different land uses in a constrained area). Better housing outcomes can also be achieved through providing more and larger housing in more appropriate locations.

36. An extremely sensitive approach to mixed use policy is therefore critical which recognises (other than in the predominantly residential areas and the international retail centre) that office development is the most important land use and that the highly constrained and limited development capacity should be focussed on this. We welcome the use of swaps and credits to achieve this and consider it vital that they are used pragmatically to ensure the best outcomes for office development, design and for housing.

37. It is suggested in the document that in the West End and inner London public realm improvements may be of a higher priority than other planning obligations. In light of the need to improve the environment in the whole of the CAZ, we agree that public realm, together with transport, should take precedence in planning obligations. Clear prioritisation is particularly important in light of reduced development viability, proposals for development contributions to Crossrail, and the need for clarity, flexibility and sensitivity in planning obligations.

West End Special Retail Policy Area (WESRPA)

38. We welcome the Mayor's support for the continued rejuvenation and enhancement of the West End as the country's leading centre for retail and leisure. This is critical in supporting tourism in London. It will be vital deliver improvements in advance of the 2012 Olympic Games and the associated increase in tourism, and to take full advantage of the opportunities presented by the opening of Crossrail in 2017.

39. The London Plan Review should strengthen policies that support the WESPRA, making clear that transport and public realm should be the priorities for planning obligations.

40. It is also critical that developers and retailers are able to refresh and improve the West End's offer in light of increased competition from new and redeveloped retail centres across London such as the recently opened Westfield, and developments at Stratford, Brent Cross, Elephant and Castle and Croydon.

41. The West End office market provides an important customer base for retail which is resilient to trends in global tourism. Measures that support office development will be of benefit to retail.

Opportunity Areas

42. We agree that Opportunity Areas are crucial in providing capacity to accommodate London's growth, especially those within the CAZ. Although this should not mean that growth is constrained to these areas. Opportunity Area Frameworks are important in shaping the vision for them and providing guidance on planning priorities, including for planning obligations.

43. Severe constraints in public funding over much of the plan period will mean that it is unlikely that there will be significant further public investment in new public transport beyond Crossrail and the tube upgrade programme.

44. It is therefore critical to maximise development capacity where there are existing high levels of accessibility. In light of their high levels of accessibility, Opportunity Areas should be considered appropriate for tall buildings, which maximise the efficient use of land and accessibility from public transport.

45. We support a flexible approach to their hinterlands that recognises that they may also be appropriate for substantial development.

46. We support an integrated approach to the distinct environmental and growth issues around Heathrow and would welcome further information on the policy implications.

47. We welcome the identification of new Opportunity Areas to help support London's growth.

Intensification Areas

48. We support the Mayor's objectives for Intensification Areas.

Town Centres

49. London's town centre network is critical to London's vitality. Town centres are where most Londoners visit frequently to shop and access services. The network is diverse. Some centres are thriving and will grow whilst others struggle. The mix of uses in centres is a key component of their success as is accessibility and the quality of the environment and public realm. Planning policies should seek to encourage a vital mix, including leisure, commercial and housing, where viable.

50. Policies must be realistic and reflect market demand. Commercial development will not be viable in many centres. Policies that seek commercial floorspace in new developments could stifle redevelopment or lead to vacant units which undermine the vitality of a centre. In line with national policy in draft PPS4, authorities must base planning policies and requirements on a sound evidence base and not retain unjustified land use designations.

51. We support a review of the town centre classifications to assess how their function may change and their potential to accommodate growth as well as the need to consolidate where it arises. A key example of the need for review of classifications could be Shepherds Bush whose function and role is, in all but name, that of a Metropolitan Centre, since the opening of Westfield London in October 2008.

52. Given the extent of London's town centre network and the close proximity of centres to each other, a rigid view of edge and out of centre that is applicable in other areas of the country is not appropriate in London. We support a proactive approach which identifies and brings forward capacity for growth on the edge of centres. There may be exceptional instances where out of centre development is appropriate.

Strategic Outer London Development Centres

53. We support the identification of strategic development centres in outer London where these are viewed as complementary to, and not competitive with central London; have good transport accessibility (existing or planned if realistically deliverable) to central London and to areas of population; an existing critical mass of employment; a mix of uses including leisure, retail and residential; and brownfield land for development.

54. Designation should have clear policy implications including:

- in principle support for development;
- proportionate investment in transport provision;
- support for dense development to justify and contribute funding to this transport investment;
- investigation of potential to strengthen linkages to higher and further education; and
- clear prioritisation of planning obligations for transport and public realm.

Strategic and other industrial locations

55. Ensuring an appropriate supply of industrial land to serve London is important to the functioning of the economy. However, too often designations are historic and take no account of modern technology, the scope for consolidation and mixed use development and competing demands for land. Employment land designations confer an inherent subsidy by depressing land values. In light of this and the physical impact (and blight) of designations and the demand for land for other uses including housing, any designations must be justified on the basis of sound evidence and their implications fully understood. We do not consider this to be the case and consider that a review is urgently undertaken by the boroughs advised by the Mayor which fully explores the potential for mixed use development which is enabled by modern technology which reduces the impact of industry. The need for an evidence base and for authorities not to carry forward unjustified designations is engrained in draft PPS4.

56. We welcome provision of guidance which builds on the principles of draft PPS4 and standardises approaches to requirements for marketing periods for sites to demonstrate the case for release: one year being reasonable. Sites should only be protected where the need is demonstrated; a thorough assessment identifies how much land is needed (as modern practices and technology frequently require less floorspace than previously) and assesses the scope for mixed use development. Where mixed use development is to be encouraged, the requirement for commercial/industrial space should be predicated on previous levels of employment not floorspace.

57. We support the identification of sites for waste, transport and logistics and the recognition that this should be done with neighbouring authorities as they will not necessarily be located in London.

Open and natural space

58. Requirements to include green infrastructure in development must be realistic and seen in the context of other planning requirements and obligations. In a highly constrained city, and where there are many planning priorities and obligations, in many cases it will not be possible to accommodate green infrastructure.

Questions

Should general principles for opportunity areas be in the text with detail in the appendix?

59. We agree that the inclusion of general principles would help make the plan more useable. The detail for each Opportunity Area should be addressed in individual frameworks.

60. It would be helpful to have a timetable for OAPF preparation, where they are to be produced. OAPFs are not necessary for all Opportunity Areas. In some instances recently adopted local policy will obviate the need for an OAPF and the requirement for an OAPF could delay development.

61. The London Plan currently contains strategic priorities for the sub regions which are to a large degree the same for each sub region. These could be significantly reduced and only focus on the genuinely sub-regionally specific priorities.

Are there further refinements needed for revisions to the town centre network and strategic industrial locations?

62. The designation of strategic industrial locations must be supported by a strong evidence base that demonstrates that there is demand, and demand for the quantum of land safeguarded.

LONDON’S PEOPLE

Housing

63. We note that the Strategic Housing Market Assessment indicates that 33,000 new homes are needed each year and that this is below the range suggested by the NHPAU of 34-43,000. Estimating housing demand is highly subjective and prone to change according to the assumptions that underpin them. What is clear is that London has historically failed to develop sufficient housing and that population growth and demographic change will increase housing demand. It is therefore critical that housing delivery targets are minima to be exceeded and that planning policy and its application is strongly focussed on increasing housing supply and is sensitive and flexible.

64. The provision of social infrastructure and services to support population growth is critical alongside the development of housing. Co-ordinated planning and investment from the public bodies responsible is essential. The new requirements for infrastructure planning under PPS12 should assist this.

65. Whilst some contribution may be made from planning obligations, scope will be limited by other priorities and reduced viability in the short to medium term. Authorities have grown used to increasing planning gain contributions in a period of strong demand, economic growth and rising values. It will be a long time before there is a return to the strength of market seen in the last ten years and it is crucial that authorities adjust to the new reality of development viability and consequently what is possible from planning obligations.

66. We agree that the makeup of affordable housing should place greater emphasis on the provision of intermediate housing and consider that a 70/30 split of intermediate/social housing is more appropriate in light of London’s population, economic needs and the existing social stock.

67. London already has a large stock of social housing: 23% of the stock compared with 17% nationally[2]: 746,000 of London’s 3.2 million housing units are rented from a local authority or RSL. This is an important and large resource and it is critical that London makes the best use of it.

68. Innovative initiatives should be developed to bring empty social homes back into use and encourage and assist those who can access intermediate and market housing to do so; those that do not need or want to be located in London to relocate; and those whose families have left home to move to smaller accommodation.

69. Initiatives to make efficient use of the existing stock should be pursued in tandem with policies to increase the stock of social housing.

70. We welcome the Mayor’s support for the development of bespoke housing for the elderly and students. This is important in its own right and as it will free up larger housing stock for use by families.

71. Policy should strongly support and encourage the use of land owned by public bodies (including within the GLA family) to be developed for housing.

[2] CLG Live Table 109: Tenure by region

72. We support initiatives to bring back empty homes into use which should be tackled alongside other measures to make better use of the existing stock.

73. We support policies to promote housing choice but are concerned with the focus on family housing in the market sector as this is not supported by demographic data.

74. The DCLG survey of housing (January 2009) shows that:

- 26% of owner occupiers are single person households and 39% are couples without children: 65% of those of owner occupiers therefore need a one bedroom unit
- 26% of those in private rented housing are single person households and 33% are couples without children: 59% of those in private rented housing therefore need a one bedroom unit
- 61% of the total stock is occupied by those needing one bedroom.

75. The DCLG population forecasts (published March 2009) show that 68% of household growth in London is of single person households. The Office of National Statistics Stock profile (based on the 2001 census) highlights that 65% of the stock in outer London is houses.

76. We therefore do not consider that the evidence base supports a focus on the development of family housing.

77. We support policy that resists the loss of existing housing, other than in exceptional cases, but would like further clarification on the relationship between this and estate renewal schemes. Estate renewal is critical to improve the quality of life and environment for many Londoners. It also provides the opportunity to deliver a better mix of housing (a Mayoral objective).

Affordable housing

78. We support streamlining and reducing the number of affordable housing policies in the London Plan. It is critical however to retain policy 3A.10 which emphasises that affordable housing policies must be sensitive to viability and must not restrain housing delivery.

79. We agree that the 50% strategic affordable housing target was counter-productive to increasing housing supply and rarely achieved. We would welcome an explanation of how affordable housing policy will work and how numeric non-planning affordable housing targets agreed outside the planning system will be translated to an individual site basis within the context of a desire to maximise provision in new developments and ensuring development viability. This is important for those considering development or purchasing sites who will need to make an assumption on the level of affordable housing to be provided. Without any clarity of what requirements could be, purchasers will value sites at little more than existing use value which will deter the sale of sites and therefore the supply of land for housing.

80. PPS3 requires RSS to set out an affordable housing target for the region and each housing market area. We note that the targets will be for a three year period (which we will be near the end of by the time the plan is adopted) whereas the plan period is to 2031.This therefore needs to be within the planning system. London's housing market is highly complex and is most appropriately treated as one housing market area.

Housing Quality

81. We support the Mayor's emphasis on housing quality and improvements to the urban realm. We agree that design is an important part of this and note that the Mayor's Housing Design guide is intended to principally be aimed at housing where there is public grant. There is a fundamental distinction between development undertaken with public funding and that carried out with the funds and at the risk of a developer. It is not appropriate for planning policy to seek to dictate the detail of development undertaken by a private developer who is responding to market demand and taking the risk in doing so.

82. We strongly oppose minimum space standards for all new homes. Housing that receives public funding is already subject to stringent requirements. We do not consider it is appropriate or desirable to impose space standards on market homes. Ultimately market forces of supply and demand will determine the correct standards.

83. Imposing space standards inherently assumes that larger homes are better designed, which is not necessarily true. Critically, it also disregards the impact of increased size on affordability: more space will increase the cost of housing making it even more difficult for those on lower incomes to access market housing. It will also necessarily reduce the number of housing units that can be delivered.

84. The imposition of standards would preclude innovative developments such as Pocket Housing which are well designed, highly regarded, popular with purchasers and smaller than Parker Morris standards. It may also discourage emerging investment models, for example institutional investment in the private rented sector, where lower space standards and the provision of centralised management facilities may be appropriate.

85. Should the Mayor pursue the development of any space standards, it must be on the basis of a sound evidence base which recognises the impact of affordability, understands the impact on demand and off-sets the increase in cost to the developer against other planning obligations and requirements. Housing starts in London are 70% lower than 2008 and have fallen at a greater rate than nationally. Sensitivity is needed to ensure that development can reach the level needed as the market recovers.

86. Refinement of policy on density to optimise density should recognise that existing density should not dictate development density and that well designed, high density development can add to the character of an area and deliver environmental and public realm improvement. PPS3 recognises the importance of higher density development and that it is even appropriate in sensitive areas such as conservation areas.

87. We welcome support for London's higher and further education institutions who are a vital part of London's social infrastructure as well as major employers and economic centres. Provision of sufficient and suitable student accommodation is important to support London's higher education offer.

Questions

88. As the London Plan is part of the Statutory development plan, it is critical that planning policy is contained within the London Plan (and not the housing strategy). This will ensure that it is properly tested and accorded appropriate weight in planning decisions and local development plans.

LONDON'S ECONOMY

89. The revised London Plan will set the policy framework to 2031, well beyond the current recession. It is unknown the extent to which current economic conditions are cyclical or structural and it would be a mistake to over-react whilst in the eye of the storm. It is therefore critical that the Plan adopts flexible policies which support and nurture all economic activity, providing the context for recovery and long term growth.

90. We agree with the Mayor that the London Plan should not pick winners and should ensure a policy framework that supports the provision of accommodation for all businesses, large and small. This means sensitive policies that do not over-burden commercial development with cost and complex requirements, enabling developers to respond to market demand.

91. We agree that supporting the role of outer London should not be at the expense of central London and support for small business should not be at the expense of large companies. The role of London's larger businesses is critical to the UK economy and is a reflection of London's world city status. We would strongly oppose any planning requirements for the provision of small and affordable work places as it would add to the cost and complexity of planning and would represent state aid through requiring one business to subsidise another.

92. We support the emphasis on the need for greater recognition of the importance of enterprise and innovation. This is as important in development as it is other businesses and can be threatened by onerous and extensive planning requirements and obligations. It will be particularly important in the short to medium term that planning policies are sensitive and encourage commercial development, recognising fragile viability. If not, recovery can be delayed as the commercial premises needed to support growth will not have been developed.

93. We support the promotion of outer London for Government and its consideration when Government departments and functions are to be decentralised.

94. We welcome the support for the distinctive role of central London which is crucial to the success of the national economy, not just London. The role of central London should be promoted and enhanced as well as supported.

Offices

95. Renovation of existing stock as well as increasing new provision will be critical to a healthy office market and economy. Much of central London, especially the West End, is highly constrained by heritage designations (strategic views and conservation areas). Opportunities for redevelopment are therefore limited and should be improved. Mixed use policy should be sensitive to this and recognise that in the CAZ the primary land use is commercial. The value of commercial development should not be harnessed to support housing: this undermines the purpose of the CAZ and leads to compromised development for both offices and housing. Policy should therefore relieve commercial development of the physical requirement to incorporate residential. Any financial obligation should be viewed in the context of other planning obligations which should prioritise transport and public realm.

96. In outer London offices should only be provided as part of residential developments where there is demonstrable demand, with a sound evidence base.

Too often developers are required to build offices which remain empty, which is a poor use of land and undermines the vitality of an area.

97. We welcome support for physical improvements to the office environment which should be reflected in planning gain priorities in the CAZ.

Industry

98. The effect of the current approach to industrial land and safeguarding leads to frustration of development, poor use of sites and environmental blight. Whilst there remains a need for land for industry, modern technology and changes in working practices means that less land is required than in the past and that in many cases industry can co-exist alongside housing.

99. We welcome a more rigorous approach to the release of surplus land, which should mean a thorough analysis of the demand for industrial land and retention where supported by evidence (as set out in draft PPS4). Too often land is safeguarded where there is demand in the hope that industrial uses will return, and the quantum of land does not take account of modern practices and technology. This is also true for safeguarded wharves where the number and land safeguarded should be reviewed in the context of demand and technology. An urgent review is required of industrial land and safeguarded wharves.

100. Where mixed use redevelopment of previous industrial land is permitted, the quantum of employment floorspace should reflect previous levels of employment (not floorspace) as employment densities will be higher.

101. We welcome the highlighting of potential for release in the Lower Lee Valley, but consider this to be far more widespread. A more realistic approach to industrial land (and its release) will encourage regeneration across London, not just in the Lower Lee Valley.

The visitor economy

102. Policies on the visitor economy should recognise the importance of the public realm: the quality of the visitor environment is critical. Opportunities to improve the environment ahead of the Olympic Games should be prioritised in light of the increase in tourism expected during and after the Games. Public realm improvements should be a priority in planning obligations in the CAZ to enable this.

Encouraging a connected economy

103. We welcome policy support for the delivery of information and communications technology infrastructure to support the economy. This should be extended to include all infrastructure required to support economic growth, including energy infrastructure. Co-ordinated, timely delivery is vital to London’s economic success.

Arts, Culture and Entertainment

104. We welcome policy support for London's art, culture and entertainment which is important to London's attractiveness as a world city and quality of life. This should include recognition of the relationship between cultural industries and London's higher and further education institutions which generate and support cultural activity.

105. We support sustainable management of the night time economy which is important to London's tourism and world city offer. Active management should address negative impacts with initiatives such as business improvement districts encouraged to co-ordinate action.

106. London's football clubs are important culturally and economically to London, as highlighted in "Away from Home", published by the London Assembly in June 2003. The report cites research conducted by the Football Research Centre at Liverpool University into the impact of Liverpool's two major clubs on their local economy which found that:
   - 3,000 full-time jobs, plus 1,400 part-time jobs in the Merseyside economy are dependent on the football industry;
   - for every 100 jobs in the retail sector around the two grounds, five are dependent on match days;
   - for every 100 jobs in the clubs' suppliers, nine are dependent on the trade the firm has with the clubs; and
   - for every £1 spent by the two clubs combined, 31 pence remains within the local Liverpool economy.

107. In light of this, and the complexity of stadia development/redevelopment and the need for a number of clubs to increase spectator capacity, the report recommended that the London Plan be amended to give greater weight to the importance of stadia development and require boroughs to encourage football clubs to stay in their traditional area. We support this approach and seek that it is reflected in the London Plan review.

New and emerging economic sectors

108. The most effective way to ensure support for new and emerging sectors is sensitive and flexible planning policies which enable quick response to market demands.

109. We welcome support for London's higher and further education sectors which are important as major employers, and support London's competitiveness through research and improving the skills of Londoners.

110. Universities and higher education colleges in London employ over 55,000 staff and teach 394,000 students from over 200 different countries; the most diverse student body in the world. London attracts 90,000 students from outside the UK each year (about 70% from outside the European Union). London's higher education institutions generate £11 billion each year in goods and services within the UK and £1 billion in export earnings.

111. London is also home to some of the most internationally renowned research-intensive institutions. Universities and higher education colleges in London competitively win £700 million in research funding each year, £90 million of which is from overseas.

112. We welcome the Mayor's commitment to encouraging the application of research in the capital's development. Support for knowledge transfer is important as part of London's competitiveness and economic development.

113. The development of bespoke student accommodation is essential to maintaining London's attractiveness to students in light of increased global competition and aging and outdated existing stock.

114. We welcome proposals for the development of a Green Enterprise Zone in the Thames Gateway and look forward to further information on this.

Supporting retail, town centres and town centre development

115. We welcome support for London's town centres which play a vital role in London's economy (including for tourism) and for Londoners' quality of life. The London retail assessment is important in assessing floorspace need over the Plan period and setting out how this can be accommodated. In many centres this will mean the need for redevelopment to enable the provision of more suitable modern floorspace which will also give the opportunity to incorporate a greater range of uses including housing. Such developments are complex and costly, but important to the centre's vitality and viability and quality of experience for its users. Planning policy should encourage these developments, support appropriate increases in density to facilitate development, and prioritise improvements to the public realm and transport in planning obligations.

116. The positive impact of retail as a catalyst for regeneration has been recognised by Government and recent research undertaken in behalf of the BCSC Educational Trust and Business in the Community and published in 2009. This should be recognised by the London Plan, especially in relation to designated Opportunity Areas.

117. We welcome a proactive approach to managing growth within and on the edge of centres. In light of the number of London's town centres and their proximity to each other, rigid adoption of the sequential approach is not appropriate within London.

118. London has a diverse retail offer within and between centres. London First supports the Mayor's objective to promote retail diversity and has established a Retail Commission to investigate how this can be encouraged and supported across the capital and will look at how public policy at all levels may help this, including the role of investment, the public realm, rating and planning.

119. We strongly oppose any measures that would impose requirements on developers to provide small and affordable retail units. This would create additional cost and complexity, breach EU regulations on state aid by requiring cross- subsidy between businesses and through favouring occupiers of new stock over those in existing premises; and create uncertainty and complexity as to how small and affordable will be defined and reviewed. Any requirement through s106 would fail to meet the tests of Circular 05/05 (what impact would the provision of small shops mitigate?). If implemented, such a policy is likely to result in empty units as the leasing transaction costs and tenant risk would outweigh rental income. This would lead to poor public realm and increased risk of crime.

The 2012 Games

120. We support policies that maximise the benefits of the 2012 Games across London. These should address in particular the regenerative benefit to the Lower Lee

Valley and improvements to the West End in response to the increased level of tourism.

LONDON'S RESPONSE TO CLIMATE CHANGE

Climate Change Mitigation

121. We welcome a balanced approach to encouraging sustainable energy in new development. As the Mayor acknowledges, development can only play a small part in tackling climate change.

122. Policies on climate change in the London Plan should:
   - Be consistent with national policy;
   - Avoid inappropriate levels of detail for a regional spatial strategy;
   - Avoid prescription;
   - Be clear and achievable;
   - Prioritise energy efficiency;
   - Take account of the full environmental impact of measures;
   - Recognise the importance of wider initiatives to reduce energy use and emissions such as car clubs, local recycling and green travel plans;
   - Not duplicate building regulations; and
   - Recognise limits placed by other regulatory regimes for example for residential customers to have the right to choose and switch energy supplier.

123. London First considers that decentralised energy can play a role in mitigating climate change but only as part of a wider strategy. London First's report 'Cutting the Capital's Carbon footprint: delivering decentralised energy in London', published in October 2008, examined how the objective to decentralise a quarter of London's energy by 2025 could be delivered. The report, which drew on the experience of more than 90 experts from the public and private sectors as well as national and international case studies, made a number of recommendations including on the importance of scale for new decentralised energy infrastructure (to maximise carbon reduction as well as financial and land use efficiency) and the importance of the existing built stock to achieve carbon reductions (the existing stock accounts for 73% of carbon emissions) given the energy efficiency (and low demand) in new buildings and substantial phasing risk in new developments, and to act as anchor loads to underpin infrastructure.

124. London First is working with the Mayor's director of environmental policy and officers from the LDA and GLA to implement the report's recommendations and deliver a new energy infrastructure for London. This work should be reflected in the London Plan review which should be consistent with the energy strategy to be published later this year.

125. Policy on decentralised and renewable energy should:

   - Not duplicate building regulations;
   - focus on carbon reduction, be flexible and responsive;
   - be realistic about the carbon savings from renewable energy and enable the use of traditional fuel supply in the short to medium term whilst viable renewable technologies are developed;
   - promote an energy masterplan for London built around existing heat loads which identifies opportunities for the extension of existing infrastructure and development of new energy infrastructure, including where new development can connect and contribute to it;
   - seek that boroughs plan for energy infrastructure as part of their PPS12 infrastructure plans including assessing the scope opportunities for energy from waste;

- seek that boroughs identify sites for energy infrastructure;
- encourage exploration of potential to deliver energy infrastructure when other infrastructure is being developed such as street works and tunnelling where the opportunity could be taken to deliver the necessary pipework;
- seek that boroughs to identify opportunities from estate renewal projects; and
- adopt an approach that does not require small developments to deliver on-site decentralised energy but seeks s106 contributions towards the development of energy infrastructure which the development commits to connect to. The promotion of decentralised heating, cooling and power networks on an individual site basis should only be pursued where there is sufficient scale (circa 1,500 units) and where there is not an area based network which it would be more efficient to contribute and connect to.

126. Borough infrastructure plans (as required by PPS12) should include energy infrastructure and should identify sites for energy centres.

127. A cooling hierarchy should only be developed if it is realistic about the need for cooling and sensitive to the needs of modern occupiers. Many offices require cooling due to the density of occupation and quantity of office equipment. Cooling is a vital part of the functioning and quality of these buildings and therefore their suitability to occupiers. Demand for cooling will increase with the effects of climate change.

128. The development of small and medium scale renewable technology remains in its infancy. Turbines are not effective in densely developed urban areas, photovoltaics are extremely expensive and do not offer an efficient cost of carbon reduction and the use of biomass is questionable, especially when the impact of transporting it is taken into account. Energy from waste can play an important role and should be actively pursued for its benefits in reducing waste and providing energy.

129. Whilst the optimum renewable energy source is investigated and developed planners should adopt a pragmatic approach to requirements for the incorporation of renewable energy. At all times the objective of carbon reduction should be at the fore as well as the cost of any reduction. Energy systems should be developed at sufficient scale to enable efficient retrofit with new technology when it is established.

130. Policy measures to mitigate climate change are highly complex and straddle building regulations as well as policy at the national and local level. A single set of standards, as set out in the Code for Sustainable Homes, would aid clarity, simplicity and implementation.

131. Climate change mitigation measures are important but are costly and complex to incorporate. The different cost implications of measures should be recognised as: direct cost; opportunity cost of land/floorspace used; increased cost through longer construction processes and increased cost through increased risk

132. This should be recognised and balanced against other planning requirements and obligations. If development is too costly and complex it will not happen and we will remain locked into environmentally poorer stock.

Climate Change Adaptation

133. We would welcome clarification of what is meant by excessive heat generation in buildings.

134. Opportunities for green infrastructure will be limited in many dense urban developments, especially where there are competing uses for roof spaces. This will need to be reflected in policy.

135. We support a proportionate response to flood risk and the co-ordinated development of the necessary infrastructure.

136. Maximum water use targets, whilst a laudable aspiration, are not enforceable and are not appropriate for planning policy.

137. We support improved sewerage infrastructure and the Thames Tideway development.

Waste

138. We agree that making better use of waste will be an important contributor to tackling climate change, both in reducing the need for land fill and delivering new energy infrastructure. Waste should be viewed as a resource with economic potential. Policy should seek to reduce waste as much as possible, and maximise re—use and recycling.

139. As a densely developed world city with limited land and a growing economy and population, it is not realistic or prudent for London to deal with its waste in isolation and seek to be self sufficient. London should deal with as much of its waste as possible, but a pragmatic approach is required to the level of self sufficiency London can attain. We support a more flexible approach to self sufficiency which recognises London's constraints. In light of this, we question the realism of an aspiration of zero waste to landfill for the foreseeable future.

140. We support the need for a review of the forecast of London's waste arisings and an output based specification for waste technologies which focuses on the best environmental outcomes.

141. We welcome the Mayor's support for fewer, larger waste sites which is more efficient operationally (for most major waste operators facilities processing less than 50-80,000 tonnes p.a. are considered inefficient), financially and in land take, reduces planning risk, maximises opportunities to co-locate different waste technologies which reduces CO_2 from lorry movements and aids employment creation and training opportunities through creating technology clusters, and is more deliverable.

142. We re-iterate that energy from waste should be actively pursued for its benefits in BOTH reducing waste and providing energy

HSE

143. We strongly welcome the Mayor's commitment to work with the boroughs and HSE on the approach to development proximate to major hazards. This is a crucial issue for London and it is critical that a proportionate and realistic and does not unnecessarily blight development. There are 71 hazardous installations in London, 42 of which are gas holders; and 119 hazardous pipelines. There are four major hazardous sites in Poplar, Battersea, Ponders End and Sutton.

144.

145. The need for a more balanced approach to risk is highlighted by the recent decision on the proposed Oval Cricket ground development. Following the application's call in, the SOS has allowed the development, acknowledging the risk arising from proximity to the gasholders, but concluding that this was outweighed by the benefits of the development, including the economic benefits.

146. The approach of the HSE to developments proximate to hazardous installations presents a major break on housing supply in London. Mixed use and residential sites are affected across London including strategic regeneration areas of the Lower Lea Valley, Battersea and Greenwich Peninsula.

147. Up to half of London's annual housing delivery target, and a significant quantum of major commercial development, could be at risk as a result of HSE advice on developments proximate to hazardous installations.

148. Research undertaken by the previous Mayor highlighted that the HSE would advise against development of 12,172 units (147 hectares) rising to16,376 units if the proposals is in the 'Societal Risk Consultation' are adopted. An assessment of how pre 2006 applications for commercial development would be treated under the new policies indicated that the HSE would have 'advised against' 32 applications totalling 431,003 m2 of industrial and office floorspace.

149. The automated PADHI system designed to assist planning authorities, takes an 'incredible' approach to the risk from gas holders, looking at a 'worst case' rather than 'worst credible' scenario. This has led to increased 'consultation distances' (from 60m to 350m), capturing more applications, and a highly conservative approach to risk.

150. The proposed change to 'societal' risk rather than 'individual' risk for major hazards (four gas holders in London) would double consultation distances and result in the loss of further residential and commercial floorspace.

151. Information on hazards and consultation zones is poor: detailed information is not available on the grounds of national security.

152. A recent change to advice (March) means that consideration of previous use of a site is no longer taken into account when considering a new proposal. Previously uses were discounted against proposed development so consideration was of the net change, not gross development.

Questions

Are the energy policies understandable

153. The energy policies should be more realistic about how carbon savings can be achieved, acknowledging that greater savings are made from larger decentralised energy networks; recognise that small scale renewable are expensive and inefficient; and be clear about the costs imposed by requirements and how they should be considered alongside other requirements and obligations.

CHALLENGES OF RENEWABLE ENERGY

154. Renewable energy is a means to an end, the end being carbon reduction. Too frequently policy and decision makers forget this and rigidly focus on the percentage of energy from renewable energy which detracts from the objective to reduce carbon emissions. Policy should clarify that this is the principal objective for development. Those that fund and design development should decide how best to achieve the reductions.

155. General issues facing the use of renewable technologies are:
    - Cost
    - Low power density
    - Reliability
    - Some are highly episodic
    - Market acceptance
    - Unsuited to baseload application
    - Availability
    - Mix of uses
    - Land take
    - Transport (wider environmental foot print)

Wind Energy

156. Optimum wind speed for wind power is 10-12m/second whereas average speeds in London are 2-3m/second.

157. Small scale turbines do not supply sufficient energy. Larger turbines, which are not suited to individual developments, are required to achieve realistic economies of scale:

Size/Type	Rated Output	Typical Cost	Cost (£) per KW installed	Cost (£) per tonne CO_2 saved
Small Battery charging	50/70W	350-500	7143	554
Small Battery charging	600W	3,000	5,000	388
Medium Grid connect	60KW	90,000	1,500	116
Large Grid Connect	600KW	390,000	650	50
Large Grid Connect	2MW	1.4m	700	54

Source: Energy Saving Trust

Photovoltaics

158. Photovoltaics are energy intensive to manufacture (and therefore have a larger overall foot print) and have a high capital cost. Crucially, they are unlikely to make a significant contribution to meeting the renewable energy requirement.

Solar Water Heating

159. Solar water heating is relatively low cost and can make an important contribution for residential buildings.

Biomass

160. Biomass CHP technology is still at the pilot stage and not yet available for widescale use.

161. Whilst the fuel might be low carbon, the means of transporting it to the point of use is unlikely to be so, increasing the overall footprint as well as contributing to congestion. There are concerns about availability and security of supply which make it less attractive on large developments.

Ground source heating and cooling

162. Open loop ground source heating and cooling is subject to a complex licensing procedure where licenses are frequently shorter than typical lease lengths. Appropriate spacing is required, which may mean that adjacent developments are unable to use it. It also impacts on the design of foundations. There is a lack of borehole drilling expertise and capacity.

163. For closed loop systems there is limited capacity and feasibility is subject to ground conditions. There is limited design and construction expertise in the UK. Closed loop borehole performance is more predictable and reliable than open loop systems but has a much lower capacity

Fuel Cells

164. Fuel cells are efficient in producing a high proportion of electrical power to heat and have very low emissions. However, they are prohibitively expensive with a high lifecycle cost (requiring core replacement every 5-10 years) with limited availability.

ON SITE VS OFF SITE PROVISION

165. For many smaller developments it is more efficient to provide renewable energy off-site, through the provision of decentralised energy networks. As highlighted above, renewable energy in London is highly complex and inefficient on a small scale. It is therefore preferable to seek contributions through s106 for larger scale delivery which developments can connect to. When the Community Infrastructure Levy (CIL) is introduced it should cover decentralised and renewal energy.

FINANCIAL CONTRIBUTIONS

166. We support the use of financial contributions where it is not efficient to provide on-site sustainable energy. These should be ring fenced and pooled for the provision of sustainable energy and developments that contribute should also commit to connect to the new infrastructure when developed.

TARGETS FOR URBAN GREENING

167. We do not support the use of targets for urban greening which would be too blunt and complex for the range and type of dense urban development undertaken in London.

LIVING ROOFS AND WALLS

168. If there is a concern about the take up of living roofs and walls it is because they are highly complicated to incorporate in complex urban developments in London. Policies already create a number of competing demands for roof spaces such as living roofs, mechanical and electrical plant, solar water heating, photovoltaics, communication equipment, turbines and amenity space. Where land values are very high and buildings are necessarily taller, such as in central London, the relative roof area available to total useable area is much lower than in low rise buildings

169. We do not think that there is more the London Plan can do than have a policy supporting and promoting them, which it already does.

LONDON’S TRANSPORT

170. Whilst we support the aspiration to match development to transport capacity, in practice this is very hard to achieve and a flexible, pragmatic approach is crucial. Development depends on a favourable conjuncture of developer interest, market conditions and planning consent. If planning consent is refused pending an increase in transport capacity or its timing is made conditional on it, there is a risk that the development will not simply be delayed but will not happen at all. We strongly oppose any development control mechanism which could be used to resist development on these grounds. A rigid approach of matching transport would have meant that Canary Wharf development would have been severely limited and it would not have consequently provided £500m for the Jubilee Line extension.

171. We support policy that integrates transport and development. This should include maximising development opportunities (and density) in areas of existing accessibility. This will be particularly important in the short to medium term in light of funding constraints. The impact of other policies (in particular on heritage including views) in these areas should be balanced against transport and economic objectives and implications.

172. Opportunities should be actively identified and promoted where major development can deliver substantial operational and environmental improvements to key transport interchanges such as at Victoria. This will be particularly important in the short to medium term where public finances and funds for transport projects will be highly limited. For these developments interchange improvements should be the priority for planning obligations.

173. There will be other opportunities across the transport network where development can contribute to environmental and transport improvements. In many cases promoting these opportunities would also achieve other Mayoral objectives such as to increase housing supply. These opportunities should be strongly encouraged.

174. We support the objective to provide transport in outer London to aid regeneration. It will be critical however, in light of funding constraints, to undertake rigorous cost benefit assessment to ensure maximum benefit from limited transport investment.

175. We welcome support for strategic rail services and improved access to ports, rail termini and airports. Accessibility and capacity would be maximised and services improved through better integration between different transport modes through: improved physical integration (which may require redevelopment which could contribute to funding) as well as better information and co-ordinated time-tabling. For example, equi-spacing train arrivals would help to alleviate the significant overcrowding problems currently experienced at many major rail termini.

Aviation Capacity

176. The location of aviation capacity is a matter of national policy and will be determined by the Infrastructure Planning Commission. It is therefore not appropriate for the London Plan to seek to oppose growth at Heathrow or promote alternative locations outside London (and the Plan's jurisdiction).

177. London's competitiveness and attractiveness to international investment as a world city depends on easy and efficient connections to a wide range of business centres. This is recognised in "Rising to the Challenge", the Mayor's proposals for the economic development strategy, and should be included within the London Plan [pp24-25]:

"An excellent international network is vital. London's connections are extensive, with flights in and out of London far outstripping Paris, Frankfurt and Amsterdam. However Heathrow is operating at close to full capacity. The recession has brought a temporary dip in demand, but when this rises again, the system will be under severe strain".

178. A recent London First study ('Imagine a world class Heathrow', June 2008) highlighted the key drivers of poor service quality at the UK's only hub airport and put forward proposals to tackle them. Flight delays are a key driver. Only a capacity increase will resolve Heathrow's position as the most delayed airport of its size in Europe, a position that continues to threaten London's standing as a world city.

179. We support short term service quality improvements at Heathrow, and an independent enforcer of noise and air pollution thresholds with the power to withdraw landing slots if they are breached, as necessary conditions to successfully delivering growth in the form of a third runway.

180. An integrated approach to the growth of Heathrow should incorporate proposals for High Speed Rail, currently being considered by the Department for Transport, which seek to integrate Heathrow, Crossrail and the Great Western Main Line at a major interchange in West London.

181. In addition to the services offered by the larger airports and carriers, high quality and readily accessible facilities are required for business aviation users. We consider that a heliport is required in East London, and that better use of existing spare runway capacity at London's local airports, such as Biggin Hill, would be desirable.

Public transport

182. We note the reference to the draft SPG and Alteration on Crossrail funding and will be responding separately to this consultation. We agree with the Mayor that Crossrail is the most important new infrastructure project and recognise that development should contribute to its cost. Any contributions must be reasonable and equitable and should not make development unviable.

183. We note the Mayor's support for appropriate transport provision. We strongly welcome the Mayor's commitment to Crossrail, the Tube upgrade programme and improving bus operations, and believe that the latter would benefit from a major review of how routes are planned to improve occupancies and value for money by better matching supply and demand.

184. It is crucial that the transport provision in the Thames Gateway includes a new river crossing to promote the sustainable, integrated redevelopment of the Gateway, as soon as possible.

185. Improving connectivity in the interim is important, for example by maximising the availability of the Blackwall tunnel and reviewing river services and the provision of piers.

Reducing congestion and making better use of London's streets

186. Smoothing severe bottlenecks in the road network and increasing accessibility in a small number of targeted areas, with some new or improved roads will be vital to support London's prosperity. We support the criteria based approach to evaluating road proposals which balances different objectives and recognises that there are benefits in some road development.

187. We welcome recognition of the pressing and growing need to tackle growing road congestion. As 60% of daily journeys in London are undertaken by road and each week three million tonnes of goods are moved on the capital's road, a reliable and effective network is critical to business. It is important that, at appropriate times and in relevant locations, essential delivery and servicing vehicles receive an adequate allocation of road and kerb space, better balanced with the demands of other user groups.

188. We support the need for new and improved road charging schemes in congested locations during peak conditions to reduce congestion and emissions, and lock in the benefits of road capacity improvements and maximise the worth of the considerable investment London has made in its bus operations.

189. We support policies that improve the allocation of street space and the public realm. Central to this should be a focus on bus provision and its public realm impacts in Oxford Street, investigating alternative solutions and prioritising public realm enhancements.

190. We welcome policies that support walking and that strengthen public realm enhancements, which should be reflected in planning obligation priorities. Policies to promote cycling and cycle super highways should be balanced against the impact on pedestrians, the public realm and the reliability of bus services and general traffic.

191. We support the promotion of strategic rail freight interchanges and consolidation centres. Making the best of London's limited road space will be important to improving transport in the capital. Goods' vehicles account for 16% of all traffic in London and can be made more sustainable by consolidating journeys[3]. Retail consolidation could play a more prominent role in improving the sustainability of road traffic in London and should be given strong policy support in the London Plan. Many other techniques, such as delivery scheduling and increased out-of-hours operations in less sensitive areas, should also be considered to help minimise pollution and road and kerb congestion.

[3] Getting London to Work, London First, December 2006

192. We have serious concerns with the proposal for ‘break bulk’ facilities and would encourage a holistic environmental impact analysis be undertaken. The proposal will lead to more vehicles using a heavily loaded road network which will lead to more congestion. Large numbers of vehicles operating at 10-15mph heavily pollute and the gains made by using more environmentally vehicles could easily be lost by increase in emissions from the adjacent vehicles.

Safeguarding land for transport

193. A realistic approach should be adopted to safeguarding land for transport projects, especially in light of funding constraints which have led to the cancellation of a number of schemes. Land should only be safeguarded if genuinely needed. Safeguarding land causes blight and can frustrate development as well as adding to its cost. It should therefore only be undertaken where there is a realistic prospect that the transport project will be delivered in a realistic timeframe. The London Plan should strongly discourage boroughs from safeguarding land for projects which TfL has dropped.

QUESTIONS

Is the approach to airport policy reasonable?

194. The approach to airport policy is not reasonable. It does not support the development of excellent international connections needed to underpin London's growth, competitiveness and attractiveness to international investment.

Given financial constraints what else can the Mayor do to boost public transport?

195. We welcome the Mayor’s commitment to improving public transport and in particular his support for Crossrail and the Tube upgrade programme.

196. While bus services have been one of London’s transport success stories and the benefits realised should be retained, improving the efficiency of bus services by undertaking a major review of how routes are planned is overdue and urgently required. Improved occupancy levels and increased value for money by better matching supply and demand for existing and planned services is essential given current and expected financial constraints, and pressures from population and employment growth. This is likely to necessitate adopting new route patterns and a new philosophy which recognises that some journeys may be made by multiple modes or multiple buses, adequately supported by ‘through’ ticketing.

197. Accessibility and capacity can be maximised and services improved through better integration between different transport modes through: improved physical integration (which may require redevelopment which could contribute to funding) as well as better information and co-ordinated time-tabling. Equi-spacing train arrivals would help to alleviate the significant overcrowding problems currently experienced at many major rail termini.

198. As many bus routes in London are not, and cannot be, segregated from general traffic, bus unreliability and operational costs are significantly increased by high and worsening congestion. Addressing congestion would improve public transport quality, value and ridership. A number of actions to address congestion are possible and can be implemented with limited funding. Comprehensive corridor management (such as piloted with Network Management Plans), improving incident response teams and consolidating the high number of LGV journeys using distribution centres would be relatively inexpensive compared to the impact on bus services and costs to business.

199. With high and rising congestion and poor air quality in a number of areas, road charging is an important tool and we believe an inevitable step. For such an approach to be successful in the context of London, any new schemes will need to be revenue positive and as such will generate funds which should be hypothecated at least in part to improving public transport. Despite the extra costs business would face, our most recent survey confirmed that 68% of our members would support such an approach.

Is the approach to walking and cycling feasible / workable?

200. The extra demand for space created by enlarged walking and cycling programmes should not be allowed to reduced delivery and servicing provision. Techniques to alleviate peak demand are possible and necessary, such as consolidating deliveries, delivery scheduling and increased out-of-hours operations in less sensitive areas

Do you support the approach to new road schemes?

201. As 60% of daily journeys in London are undertaken by road and as each week three million tonnes of goods are moved on the capital's road, a reliable and effective network is critical to business.

202. London experiences over 30% of England's entire congestion. TfL estimates that this costs the economy £3bn every year, 2% of the capital's GDP. As London is more congested than competitor cities, this disadvantages existing businesses and could deter inward investment. The unreliability of journey times inconveniences many Londoners and creates major operational problems and cost for most business sectors. 'Stop-start' conditions and speeds often well below 10mph are all too frequent in London.

203. Smoothing severe bottlenecks in the road network and increasing accessibility in a small number of specific areas with new or improved roads in vital to support London's prosperity. We support a criteria based approach to evaluating road proposals which balances different objectives and recognises the benefits in some road development.

204. In most cases, the case for new road schemes is strengthened when some form of demand management is introduced simultaneously. In particular, we support the need for new and improved road charging schemes in congested locations during peak conditions to reduce congestion and emissions, and 'lock in' the benefits of road capacity improvements and maximise the worth of the considerable investment London has made in its bus operations.

LONDON'S QUALITY OF LIFE

Building London's neighbourhoods and communities

205. Quality of life for Londoners is an important and complex issue. We do not agree with the inherent assumption that maintaining local character is central to quality of life. More important are issues like the quality of the public realm and local facilities and services, transport accessibility and availability of suitable and financially accessible housing. Education, including HE and FE plays an important community role and in improving the skills of Londoners.

206. Policies that seek to preserve local character at the expense of development which would deliver these aspects would therefore undermine quality of life.

207. Protection of local architectural and social and cultural context must be carefully balanced against broader economic, physical, environmental and social objectives. Whilst it is important to preserve the best of local character, it is also important to foster and encourage regeneration, environmental and public realm improvements and the developments of new homes and commercial floorspace that supports London's population and economic growth.

208. Preserving local character should not require an embargo on development or pastiche of the existing built form including the same density. London must be able to evolve and respond to the needs of its people economically and through the provision of jobs and services.

209. We would welcome clarification on what is meant by lifetime neighbourhoods and the policy implications flowing from this.

210. We welcome support for public realm improvements which will play an important role in improving the quality of life for many Londoners. In many instances these will be delivered by development and will not be possible without them.

211. Tall buildings are not of themselves good or bad but may be the most appropriate solution in areas where land supply is highly constrained and the best use of land is to build upwards. This will be especially important in areas of good public transport accessibility where development should maximise the benefits of accessibility.

212. Well designed tall buildings create landmarks and can be important catalysts for regeneration, especially in opportunity areas. Tall buildings need to be considered in economic terms as well as design. London First was part of the steering group for the recently published BPF research on the economic impact of tall buildings ("The economic impact of high density development and tall buildings in central business districts", September 2008). Undertaken by Colin Buchanan, the report highlights the significant economic benefits derived from increased commercial density in areas of good public transport accessibility: by improving productivity and knowledge transfer.

213. Increased density leads to increased productivity in five key ways:

- o increased specialisation: there may be enough business to support a general accountant or lawyer in a small town but in a large city there is enough to support business advisers who specialise in very narrow fields of work thereby improving efficiency and expertise;
- o knowledge spillovers, both between firms in the same sector and across sectors, leading to increased innovation;
- o competition: the presence of lots of firms offering similar products spurs on competition, innovation and efficiency and there are lots of buyers to compete for;
- o larger labour markets offer wide choices for employers and the opportunity to recruit staff with specialist skills; and
- o economies of scale are created by serving larger markets.

214. The research found that doubling of employment density in a given area can lead to a 12.5% additional increase in output per worker in that area. For the service sector the figure is far higher at 22%.

215. Using a methodology in line with Department for Transport guidance, the research modelled the impacts of adding 80,000 employees to locations near key transport nodes in central London. The exercise was one of changing the distribution of employment, rather than total levels of employment. The economic benefit was equivalent to the annual output for each of those 80,000 workers increasing by £2,500 a year. A second scenario redistributing those 80,000 workers to less accessible parts of central London produced a decline in output equivalent to £1,600 a year for every one of those 80,000 workers.

216. Increased output, resulting from increased density, is an external, public benefit from agglomeration. In the model, around 6% of the agglomeration benefit accrues to the 80,000 ‘added’ employees, while the remaining 94% accrues to other employees in the impacted boroughs – more generally accruing to UK plc. This benefit accrues only because of the change in the distribution of employment

217. Whilst employment density is not only achieved through height, in a highly constrained city this is frequently the only option. Constraining the ability to do this will have a profound impact on productivity and GDP.

218. Not all development is able or appropriate to contribute to sustainable water drainage and flood storage.

Protecting London’s Heritage

219. The review of the London View Management Framework must balance aesthetic considerations with transport and economic objectives. This is even more critical in the context of public funding cuts where the only new transport project to be delivered in the foreseeable future is Crossrail, it is vital that opportunities are taken that maximise existing areas of good accessibility. It would be extremely damaging to London’s and the country’s economy if the effect of the review would be to remove capacity across central London in the area of the highest accessibility nationally.

Protecting London’s open and natural environment

220. Provision of child play space in developments should be confined to those residential developments that will have a child population and be balanced against other planning obligations and requirements.

221. Tree planting should only be encouraged in new development where practical.

Air Quality and Noise

222. Requirements for air quality issues in applications and standards for large emitters should not duplicate existing policies including building regulations.

QUESTIONS

223. The appropriateness of tall buildings should not be confined to specific circumstances but, as with all planning matters, should be considered on their own merits. We do not consider that the development of tall buildings should be subject to blanket restrictions. The aim of all development should be to maximise sustainable density to make the most efficient use of land. In some instances this might lead to the development of tall buildings.

224. Benchmarks for public open space should be set out in borough open space strategies and not in the London Plan.

IMPLEMENTATION, MONITORING AND REVIEW

225. We are disappointed that the Mayor has not taken the opportunity to clarify and prioritise planning obligation requirements. The priorities as set out on page 77 are no different from the existing London Plan other than additionally including Crossrail and should reflect the proposed amendments in the Crossrail Alteration:

“Affordable housing; supporting the funding of Crossrail where this is appropriate (see Policy 3C.12A); and other public transport improvements should be given the highest importance. Where it is appropriate to seek a Crossrail contribution in accordance with Policy 3C.12A, this should generally be given higher priority than other public transport improvements.

Importance should also be given to tackling climate change, learning and skills, health facilities and services and childcare provisions.”

226. Planning obligations add to the cost and complexity of development. Requirements grew substantially in the recent years of strong economic growth that supported development and led to rising land values. This is no longer the case with the extent of the fall in values meaning that permissions negotiated just months ago are no longer viable. It will be some time before values return to 2007 levels. It is therefore critical that planning authorities are realistic about what development can contribute and sensitive to economic viability. This is crucial as the demand for new housing remains in the context of continued population growth and demographic change, and the failure to supply sufficient homes in the past. If commercial development cannot respond quickly as the economy improves supply constraints will delay recovery.

227. We therefore urge the Mayor to give greater clarity to planning gain priorities and to make explicit in policy that obligations must have regard to viability and must not restrain development.

228. We agree that in the West End, and much of the CAZ, the priority for planning obligations should be public realm and transport improvements.

229. We look forward to working with the Mayor on arrangements for the Community Infrastructure Levy (CIL). The Mayor should give consideration to what infrastructure, beyond Crossrail, should be covered by the CIL at borough and regional level. In addition to transport and social infrastructure, decentralised energy should be covered.

230. We welcome the Mayor’s commitment to collaborative working. This should explicitly include business.

QUESTION

How can the Mayor most effectively secure commitment from utility and other infrastructure providers to ensure adequate capacity?

231. London's infrastructure is provided by a mixture of public sector investment, investment funded by private companies as part of planning agreements and through investment made by regulated utilities.

232. Treasury forecasts make it clear that for much of the Plan's life there will be very tight restrictions on public investment in Britain. It is therefore essential that the Mayor, working with London Councils and business, makes the case for investment in London to central government clearly, based on effective coordination and prioritisation of London's needs and, where relevant, such as in the case of TfL, through transparent and efficient provision. In the coming decade there is little room for projects which do not generate the maximum rate of economic return. In transport, London First agrees with the Mayor that the twin priorities over this decade are the completion of Crossrail and the tube upgrade programme.

233. The importance of getting public sector investment right is compounded by the difficulties facing developers. London is in recession, new development has stalled and receipts from s106 agreements will consequently fall dramatically. While the economy will hopefully move out of recession soon, it is unlikely that development will offer the returns common in the early part of this decade in the foreseeable future. A consequence is that boroughs will no longer be able to negotiate the scale of s106 funding for broad classes of public and social infrastructure as some have been used to. This needs to be factored into both local authorities' plans and the Mayor's approach to coordination and prioritisation.

234. The private utilities investment plans are affected by a number of factors, foremost of which are their economic regulator's approach to capacity provision and the utilities confidence that they will be able to achieve a return on their investment. London already has substantial planned works in some sectors, for example Thames Water is upgrading its network across London and about to start work on the Thames Tideway Tunnel which will substantially improve the capacity of its sewerage system. BT is rolling out its C21 network across London.

235. Certainty over the Mayor's plans will create the necessary context for private investment. But the way in which individual utilities are regulated will determine how new capacity is provided and there is an important role for the Mayor in making the case that London, particularly in the CAZ, has a different level of economic activity to the rest of the country and should be treated accordingly. For example new electricity infrastructure capacity is provided on a marginal cost basis, whereby a developer needing electricity supply which requires an upgrade to the network bears the whole cost of providing that upgrade. This adds cost, delay and uncertainty to development. An alternative approach is for the utility to be able to provide capacity based on forecasts of demand and to apportion the costs between users. This may be inefficient in some parts of the country, where the patterns of growth are uncertain, but would surely be efficient in London, at least in the central activity zone. It would enable investors to plan development in London confident that resilient energy supplies would be available without uncertainty around cost or time.

APPENDIX ONE: OUTER LONDON COMMISSION
LONDON FIRST SUBMISSION
05/05/09

1. INTRODUCTION

1. London First welcomes the establishment of the Outer London Commission to improve the economic success of London and welcomes the opportunity to make a submission in response to its initial questions.

2. London First is a business membership group whose aim is to make London the best city in the world in which to do business. We do this by mobilising the experience, expertise and enthusiasm of the private sector to develop practical solutions to the challenges London faces and to lobby government for the investment that London needs in its infrastructure. London First delivers its activities with the support of around 250 of the capital's major businesses in key sectors such as finance, professional services, property, creative industries, hospitality and retail. Our members represent around a quarter of London's GDP.

3. We support measures to foster economic growth in Outer London and do not see any inherent tension in the relationship between Central and Outer London. Outer London already plays an important role in the London economy: it is home to 60% of London's population and 40% of employment. 60% of Outer London residents work there with just a third commuting to Inner or Central London. 60% of forecast employment growth is in Outer London.

4. The Outer London economy is complementary to that of Central London. Outer London benefits from growth in Central London, as residents working in the centre spend locally, supporting Outer London business, and through Outer London firms supplying those in Central London. Measures to enhance Outer London should be taken in tandem with support for Central London.

5. We see the central objective of the Commission as increasing the London economy as a whole: not redistributing components of it. The policy measures which will achieve this outcome will be those which build on Outer London's current strengths and work with the grain of the market to attract private sector investment. Such measures need to recognise that currently the development sector is going through the most difficult economic conditions for decades. There is an important role for public investment in supporting public policy, particularly in transport: but given the pressures over public finances the Commission's recommendations need to be realistic, draw on private support and be integrated with planning policy (for example over density).

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ECONOMY

Sectors

6. Key growth sectors are likely to include: green industries, creative industries, healthcare and medicine, logistics, high tech manufacturing, retail and leisure, and higher and further education. Outer London is not homogenous and these sectors are already present across the area to varying degrees. To provide effective support, research is required to understand the extent of existing clusters; the locational requirements of businesses (area and floorspace) and their labour needs; and how these can be met. This will inform how policy can support their growth.

7. We support the suggestion that Central Government departments, if being moved from Central London, should consider locations in Outer London.

Retail

8. The recently published 'Consumer Expenditure and Comparison Goods Retail Floorspace Need in London' (Experian for the GLA) highlights the importance of retail employment in Outer London. The report estimates that London's long term household expenditure is projected to rise from £89 billion in 2006 to over £160 billion by 2031. Taking into account growth in commuter and tourist spending, retailers making more efficient use of existing space and new forms of retailing, this means that London has a gross total need for an additional 1.8-2.9 million m^2 comparison goods retail floorspace by 2031. This includes some schemes already identified in the planning pipeline. When these are included in the baseline analysis, London will still need a net additional 1.3-2.2 million m^2 comparison goods retail floorspace by 2031. Almost half of this will be in Outer London.

Employment Land

9. Traditional industry is likely further to decline in Outer London. Growth sectors are likely to be office based, high tech manufacturing or logistics. Their locational requirements and impacts are very different from those of traditional industry and they are able to co-locate with housing. It is therefore critical that planning policies respond to this and only seek to retain 'employment' land where there is a clear and demonstrable market need and otherwise promote mixed-use development, focussing on levels of employment rather than quantum of floorspace.

Service Industry

10. The importance of service industry growth as a function of population growth needs to be understood. It is estimated ('More residents, more jobs', GLA Economics, January 2005) that growth in population of 1,000 people supports 230 additional jobs. London's population continues to grow and it is imperative that housing supply supports this. The impact in terms of land supply and employment generation needs to be recognised and supported in planning policy.

Super hubs

11. We support the concept of nurturing employment and key growth sectors in Outer London through identifying super hubs. This should be done by working with the grain of the market and strengthening what is already present, particularly in light of limited options for fiscal intervention and limited funds for significant transport investment.

12. 60% of Outer London's residents already choose to work in Outer London, just a third commute to central London. The interrelationship between the factors which drive individual decisions is highly complex. Policy should focus on improving the environment and attractiveness of Outer London, not determining the outcome of where people choose to work. The mix of employment opportunities between Outer London, Central and Inner London should be left to the market.

13. The key characteristics of super hubs should include:

- good transport accessibility (existing or planned if realistically deliverable) to central London and to areas of population;
- existing critical mass of employment;
- a mix of uses including leisure, retail and residential; and
- brownfield land for development.

14. Designation of an area as a super hub should have clear policy implications including:
    - in principle support for development;
    - proportionate investment in transport provision;
    - support for dense development to justify and contribute funding to this transport investment;
    - investigation of potential to strengthen linkages to higher and further education; and

- clear prioritisation of planning obligations for transport and public realm. Planning requirements and obligations make development costly and complex; their cumulative impact threatens development viability. Any planning obligations and requirements must be equitable and reasonable and be sensitive to the economic circumstances which are likely to prevail for the short to medium term. This will be critical to ensure development is undertaken and not frustrated.

15. Super hubs should not seek to replicate or compete with Central London. Their success will depend on them being distinctive in some way: building on an existing cluster of activities that is suited to Outer London. This might be because of the availability of high quality but cheaper office space or because of an 'anchor' use which attracts complementary or related businesses.

16. Attracting investment across centres in Outer London is important. In many cases this may require greater flexibility in planning policy. Where there is no demand, outdated office and industrial stock should be redeveloped for housing or mixed-used development.

17. To be successful super hubs must be attractive areas in which to work and live. This can only be achieved through a balanced mix of uses and investment in public realm and transport provision (where accessibility is inadequate).

18. Super hubs are not the only key employment nodes in Outer London. Their relationship and linkages with town centres and employment centres will be critical.

QUALITY OF LIFE

Skills

19. Quality of life is a complex concept, made up of a number of components of different weight to different individuals. One key issue is access to employment, both physically (local employment or that which can be reached easily) and through having the right skills. A key way to improve quality of life in Outer London will therefore be to improve the skills of the local people so they can access employment in the location of their choice.

20. Ensuring the right skills starts with school education and includes the provision of further and higher education. The quality of local schools is also a key factor in attracting people to an area.

21. Improved provision of education at all levels would benefit businesses and residents alike.

Public Realm

22. The quality of the environment - including public realm - is an important aspect of quality of life. In parts of Outer London this suffers from decades of under investment. To redress this, policy should proactively encourage development as this in itself delivers environmental improvements and can contribute through planning obligations. Public realm improvements should be a priority for s106, alongside transport. A key criterion for such public realm investment is that it is sustainable – it can be maintained and will work over time rather than being a grand project which will quickly fall into disrepair. Improvements to the public realm should also be a key consideration in any public infrastructure investment in transport and public buildings

TRANSPORT

23. The *Eddington Transport Study* (DfT, December 2006) showed definitively that poor transport is a major barrier to increasing economic prosperity.

24. Central London is at the heart of the UK's economy. Agglomeration benefits and national and international connectivity are key to central London's competitiveness and productivity. It is essential that its prosperity is supported through continued improvements to existing public transport networks - particularly capacity upgrades to address overcrowding and cater for growth - and to the road system. Additionally, maximum use must be made of existing transport capacity, including promoting development in accessible areas which maximises density.

25. Equally, where improvements to transport provisions associated with any sufficiently dense super hub can provide comparable economic benefits they should be promoted with equal priority. Transport links in parts of Outer London are already strong and Crossrail will further strengthen these.

26. Given that funds available for transport investment in London are already overstretched in the short-medium term, it is absolutely essential to target new investment in transport to allow London to reach its maximum economic potential. In practice high cost capital works will be only viable in Central London and a small number of super hubs (where density supports private sector contributions via s106 agreements as discussed below).

27. London First therefore believes that the Commission should look at three principal approaches to improving transport policy in Outer London. First, delivering a better managed road network; second, making the existing network infrastructure work more efficiently; and third, improving public transport modes which are flexible and have lower capital costs – such as buses, walking and cycling.

Roads

28. While Eddington demonstrated that GDP growth and traffic growth across the UK are closely linked, Central London provides an exception to this rule as a result of its extensive public transport network and high levels of road congestion. Currently, transport in Outer London is dominated by the private car. As its economy grows, so do traffic levels, at a faster rate than in the rest of the capital, and with particularly strong growth in light goods vehicles.

29. This brings substantial problems. Congestion tends to worsen at a greater rate than traffic increases on loaded road systems. Vehicle emissions at low speeds, particularly carbon dioxide, increase with decreasing speeds, and exponentially so at around 9-12 mph. This ‘double whammy’ means that road performance and air quality could quickly worsen in congested areas, particularly on major routes and around major developments.

30. 68% of 100 London First members surveyed in 2006 support local rush hour road charging schemes, carefully tailored to local conditions where particular congestion and environmental problems exist or are likely to arise. Close co-ordination of such schemes will be required across London to ensure traffic deterred from one area doesn’t add congestion to another and that such schemes are standardised where possible.

31. Traffic management on a local and sub-regional basis must be improved to maintain network reliability. It is important to design out any potential hot-spots and take action to correct any current ones. Operational techniques to manage traffic flows being developed in Central London, such as better road works management and incident response teams, plus the best practiced developed on the Olympic Route Network, should be reviewed and where applicable, applied to the most congested areas of Outer London.

32. As typically 15-20% of local traffic is undertaking delivery and servicing – and as these vehicles are largely diesel powered, contributing the most to poor air quality – there is an urgent need to minimise these impacts, while not unduly restricting business operations. In particular, retail and waste consolidation centres are proven to reduce local delivery traffic and emissions by 60-70% and would be suitable for introduction in many of the super hubs being considered.

Public transport

33. Similarly, proportionate investment in flexible public transport solutions is essential. In particular, it is important to look at any upgrades to bus services holistically. First, classical radial routing will be unnecessarily expensive due to low average occupancies and will, until new technology is cost effective, significantly add to harmful emissions such as particulates and NOx gases. Second, there is scope to review existing patterns of service to better match supply and demand across London.

34. Policy and investment should encourage walking and cycling – building on some of the initiatives undertaken in Central London. Legible London, for example, could be very effective in encouraging walking in and around super-hubs.

35. Finally, policy should also consider parallel initiatives to encourage road users to switch to more sustainable modes of transport. As well as congestion charging, this could include limited or chargeable parking on roads.

Transport investment and density

36. Increased density of development will be critical both to justify transport investment and to contribute to its funding through s106. This can be achieved sensitively but will be an important principle in designating super-hubs.

37. In light of the imperative to accommodate growth, make the best use of land, and justify and contribute to transport investment, development in Outer London – especially around super hubs – should not seek to replicate the existing density but to mirror the high quality dense development found in parts of central and inner London.

38. Designation as a super hub must therefore imply in principle support for development, increased density and where appropriate release of former 'employment land' for mixed-use development.

39. It must also mean that the priority for planning obligations is transport and public realm. Especially in the short to medium term where development viability is fragile at best, it is critical that s106 policy is sensitive and appropriately prioritised. There is unlikely to be substantial funds for s106 so requirements must be realistic, clearly prioritised and focused.

OTHER ISSUES

Public Sector Land

40. A key recommendation of the Commission should be that public authorities on Outer London make the best use of their land, releasing surplus sites for mixed-use and residential development. This should be a priority for all boroughs, Mayoral agencies (including TfL) and national Government.

41. This will be especially important in the short to medium term when the market is weak but the imperative remains to increase housing supply. Receipts from development should be re-invested in Outer London, particularly in transport and public realm improvements.

Climate Change

42. The need to mitigate and adapt to climate change is critical and an opportunity for Outer London. Much of the suburban built stock is old and inefficient in terms of energy use. This creates opportunities for green industries to respond to the urgent need to address the stock.

43. Moreover, the need identified by current policy to replace the use of landfills in surrounding counties - to which much of London's waste is delivered - will require the provision of new recycling, treatment and reprocessing capacity in the capital. The current aspiration that London be self sufficient for 85% of its waste by 2020 will need revision. But the opportunities driven by a comparable target are most likely to be located in Outer London - and will include sites to generate energy from waste.

44. Decentralised energy provision will be a key component of tackling climate change. In 2008 London First commissioned research from Buro Happold, overseen by an expert steering group, to recommend how the objective to decentralise a quarter of London's energy can be achieved ('Cutting the Capital's Carbon footprint: Delivering Decentralised Energy in London', www.londonfirst.co.uk).

45. A key finding was the need for scale in delivering the level of new energy infrastructure aspired to by policy. The strategic coordination of sites and schemes, married with the creation of a London heat map, will be vital. Existing stock and heat loads will need to be connected at a district level, with new development joining the network and contributing to its cost. London First is pleased to be working with the GLA and LDA to implement the report's recommendations, including the identification of key priority projects that can be delivered in the short term.