



## **The new London Plan – the good, the bad and the ugly**

For the first time in almost a decade a new London Plan has been published for consultation, running from the 1<sup>st</sup> December through to the 2<sup>nd</sup> March 2018. London First has been working with its membership over the past two years to influence and shape the plan. The Mayor, Sadiq Khan, puts his own stamp on the London Plan with a new look and feel that is noticeably different from previous versions produced by Ken Livingston and Boris Johnson. While the Mayor's *City for All Londoners* and his existing strategies including the housing, environment and transport strategies together with planning guidance documents on the Night Time Economy and Affordable Housing and Viability have provided an indication of his direction of travel – the London Plan itself provides the bigger picture.

Having gone through all 524 pages of the plan we hope we have provided you with a perspective on the most important issues – and why they matter.

### ***Delivery***

What sets it apart from its predecessors, is the focus on **delivery**. At an early stage in the Plan, the Mayor sets out his commitment to work with boroughs to accelerate the delivery of Opportunity Areas, intervening where required using land assembly and compulsory purchase powers.

Chapter 11, a new section on 'funding the London Plan' sets out the funding and resources that the Mayor will either use, ask government for or will develop himself to deliver the growth London needs. New approaches to capture Land Value Uplift and the Development Rights Auction Model to fund infrastructure delivery are mentioned alongside additional powers to deliver development on government owned land. The need for more funding and further fiscal devolution including the recommendations of the London Finance commission are also included.

While the step change in the plan is most welcome – we believe it could go much further. Reference to the London Land Commission and Homes for Londoners are notably absent from this chapter as key mechanisms to deliver public sector land to the market (as recommended by the [London First report](#) in March of this year).

The plan should also clarify the mechanisms through which the Mayor will work with boroughs, or intervene as necessary, where they fail to deliver growth both in Opportunity Areas and against housing targets, including the governments Housing Delivery Test.

### ***Strategic Growth – Infrastructure, Opportunity Areas and Growth Corridors***

An extremely positive aspect of the plan is its renewed approach to spatial growth.

This includes an improved recognition of the need to plan for growth beyond London's boundaries working with authorities in the South East. The plan suggests that London can accommodate 65,000 of the 66,000 homes per annum required within its boundaries but that it is "prudent to plan for long term contingencies" using strategic infrastructure investment (Crossrail 1 and 2 and HS1 and 2) to bring willing partners to the table. The plan could go further to reinforce the governments focus on the need for cross boundary collaboration including the need to produce a Statement of Common Ground on agreed (and disputed) issues. This might be the necessary to further encourage uncooperative authorities to co-operate.

The plan also includes a revised approach to Opportunity Areas, identifying growth corridors based on existing and planned infrastructure. Most important is the focus on delivery (picking up on the recommendations of London First's 2015 [Opportunity Knocks](#) report) prioritising those that can best deliver growth including identifying the public investment and intervention needed. This sits alongside new guidance on planning frameworks and the need for their timely preparation. Many new Opportunity Areas, including Thamesmead, New Southgate and Wimbledon also feature in the Plan.

### ***Housing***

Unsurprisingly, the threshold approach that seeks 35% affordable housing on site is here to stay, alongside the strict guidance on its implementation set out in this years [Affordable Housing and Viability SPG](#). Whilst there have been no changes in approach in the draft policy, London First will continue to lobby for more flexibility on the detail to enable more developments to go through the 'fast track' process (not having to submit a detailed viability appraisal) and make it less onerous for schemes that continue to go through the viability process in the hopes that this will increase speed in the pre-application and planning process.

It is extremely positive that boroughs can set more localised thresholds for affordable housing in Opportunity Areas – this recognises that there are additional costs to deliver growth on these strategic sites that may affect the ability to deliver 35% affordable housing.

The biggest step change in the plan is the very ambitious yearly housing targets with a huge increase for some boroughs including Bexley from 446 to 1,245, Hillingdon from 559 to 1,958, Hounslow from 822 to 2,182 and Newham from 1,994 to 3,850. While we welcome the increased onus on all boroughs to contribute towards London's housing needs, it is crucial that the Mayor uses all the tools at his disposal to aid delivery, including public sector land including.

Before the plan was published, the Mayor set out his intention to strengthen protection of the Green Belt, his policy confirms that he will not support either development or release from Green Belt status. In our view, the Plan should enable bottom up reviews of green belt land (and metropolitan open land), should boroughs wish to do so. The starting point for any Green Belt review should be to consider areas that are close to existing or future transport nodes that are of poor environmental or civic value and could better serve London's needs by supporting

sustainable, high-quality, well-designed development that incorporates truly accessible green space.

With Green Belt release off the table, the Plan unsurprisingly focuses on densification and making the best use of London's land – which we very much welcome. As part of the effort to boost housing delivery particularly in outer London, the plan includes a new **policy on small sites** (25 homes or less) with a specific housing target for each borough contributing to overall target of 25,000 homes. The plan expects boroughs to identify/allocate these sites and keep register of them and grant permission in principle to increase opportunities for SME builders. Boroughs are also required to prepare design codes to guide the implementation of this policy, to set out including granting planning permission in principle. A presumption in favour of developments will also apply to infill development and vacant land and increasing density of existing homes within PTALs 3-6 or within 800m of a Tube or rail station, or a town centre.

As expected, the current plan's density matrix that sets out target densities for different areas of London based on transport accessibility has been scrapped and replaced with a design led approach to site optimisation with the Mayor's Good Growth agenda at its heart. While this is a much-welcomed approach the policies are confusing as to who determines the optimal density for development – whether it is boroughs through the local plans or planning guidance documents, the applicant through the design aspects of the planning process or both. The policy needs to be much clearer on this if it is to be successful.

The plan also requires formal design reviews where specific density thresholds are reached. While this is a workable approach to ensure site optimisation, the plan should be clear that these design reviews cannot become overly cumbersome and should focus on key design and massing principles to avoid lengthy debates on issues such as façade treatments.

The Plan requires boroughs to prepare prescriptive policies setting out the locations and acceptable heights for tall buildings. It should go further to set out the types of locations where they would expect a tall buildings policy to be applied for example, town centres, transport nodes and opportunity areas. In the absence of this guidance and the density matrix, the plan should set out how the Mayor will ensure boroughs do not shy away from delivering density and only direct tall buildings one or two specific locations.

Unfortunately, student housing didn't fare so well. A new policy approach has been introduced requiring purpose-built student housing developers to strike up a formal nominations agreement with an identified university before planning permission can be granted for a new development. At first glance, this would seem to cause practical issues about how developments are brought forward, but could also restrict competition in the sector. In addition, there is now a requirement for such development to provide 35% affordable student accommodation in each new development. At a time when supply is falling to keep up with demand, these two policies do little support new supply.

We also question whether the draft policy requirement for all estate regeneration schemes to deliver the same amount or more affordable housing is achievable and viable – we will continue to engage with the GLA on both of these issues.

The Mayor's fledgling build to rent policy has been transposed from the Affordable Housing and Viability SPG into the new draft Plan, but with one significant difference. The draft Plan introduces the ability of build to rent development to access the 'Fast Track Route' to planning if the scheme provides 35% affordable housing, of which at least 30% is at London Living Rent, with the remaining rent levels to be agreed with the borough or Mayor where relevant. Given that the build to rent market is just starting to grow, only time will tell whether the 35% threshold is helpful or not.

### ***Economy***

We welcome the plan's focus on the importance of the Central Activities Zone (CAZ) and the north of the Isle of Dogs as strategically important locations for office development, and the support for new office developments in town centres and other locations. However, two new policies on low-cost and affordable workspace, will have many unintended consequences for the commercial office market including disincentivising redevelopment or development of new office stock.

Lower quality office stock – perhaps nearing the end of its life-cycle – is often available for rent at a lower cost and on more flexible terms. It can make an important contribution to the supply of centrally-located but lower cost space, attractive to charities, start-ups and creatives. The draft policy seeking to protect space occupied by these groups and requiring its re-provision could discourage landlords from letting space to these types of users in the first place. This would constrain, rather than promote, supply.

Encouragement of the provision of flexible workspace for small and medium enterprises is extremely positive as is the plan's proposals for new Creative Enterprise Zones – specifically identified areas providing workspace to support the creative industries. We believe the plan's policies should go further to promote innovation and the evolution of new products in the office market, such as through flexible lease terms and covenants, which are arguably a more pertinent issue than rental levels for small business.

The draft plan increases the protection of industrial land. We have been instrumental in establishing the Industrial and Logistics Sounding Board to provide independent scrutiny of the Mayor's policies on this issue. While we will continue to work with stakeholders in this forum, London First will continue to our work to promote an approach to industry and logistics that ensures that Londoners have continued access to the range of products and services they need.

The recognition of the need for last mile delivery and consolidation centres within central London is very positive and something we have lobbied on.

The plan promotes a no net loss approach to industrial land including in opportunity areas and areas with growth potential such as along the Crossrail route and promotes intensification of existing industrial land through vertical stacking and multi-

storey developments to achieve this. While this is extremely positive, multistorey development will not work for all sites and may not be financially viable in all circumstances – this will depend on the availability/demand for and cost of alternative industrial space in the area. Additional work should be undertaken by the GLA on the practicalities of delivering this type of space and the locations where it might be most successful. The plan should promote and incentivise additional industrial capacity in more than the handful of boroughs identified. It should also enable the identification of new industrial locations close to arterial transport routes, road, rail and waterways through the use of land use swaps or release of low grade previously developed brownfield land including in greenbelt locations through the local plan process, subject to a robust evidence base.

We also welcome new policies building on the Mayor's [CAZ SPG \(2016\)](#) and [the Culture and Night Time Economy SPG \(2016\)](#) including the 'agent of change' that protects well established businesses and uses in the capital placing responsibility for mitigating noise impacts from new noise sensitive development such as residential. The policies also promote diversification and protection of existing valuable uses that contribute to London's vibrant 24 hour culture.

### ***Good Growth and Healthy Streets***

Last but by no means least, this plan genuinely seeks to address social and health inequalities with the Mayor's good growth and healthy streets agenda as key pillars for this. It seeks to *"improve the health and quality of life of all Londoners, to reduce inequalities and to make the city a better place to live, work and visit. It uses the opportunities of a rapidly-growing city to plan for a better future, using each planning decision to improve London, transforming the city over time"*.

This includes a commitment for Development Plans, Opportunity Area Planning Frameworks and development proposals to contribute to regeneration by tackling spatial inequalities and the environmental, economic and social barriers that affect the lives of people in the area, especially in Strategic and Local Areas for Regeneration.