DRAFT NEW LONDON PLAN

THE DRAFT NEW LONDON PLAN HAS BEEN RELEASED FOR CONSULTATION AND REPRESENTS THE FIRST STEP TOWARDS THE MAYOR EMBEDDING HIS POLITICAL PRIORITIES TO ADDRESS HOUSING NEEDS, MAXIMISE AFFORDABLE HOUSING PROVISION AND PROTECT INDUSTRIAL LAND INTO PLANNING POLICY ACROSS THE CAPTIAL.

INTRODUCTION

On the Wednesday 29 November 2017, the Mayor of London, Sadiq Khan, published the Draft New London Plan ('Draft Plan') for consultation.

Prior to publication, a press release on housing numbers in October 2017 mooted that the revised housing target would be 65,000 new homes per year, the draft London Housing Strategy and the Mayor's Affordable Housing and Viability Supplementary Planning Guidance (SPG) also alluded to possible changes to the density policy, greater protection for industrial land and a minimum target for affordable housing provision.

At 530 pages long, the Draft Plan is not a streamlined strategic plan. It places a specific focus on policies usually addressed within Local Plans (i.e. basements), planning issues and emphasis on implementation that has not previously been covered in previous versions of the London Plan. Its prescriptive nature may be too much for some of London's Boroughs, particularly those under Conservative or Liberal Democrat control.

Our London Planning team have reviewed the Draft Plan in full and set out here what they believe the Mayor means by 'Good Growth'.

OUR VIEW IN SHORT

The emphasise on 'Good Growth' within the Draft Plan is the Mayor's bid to ensure that the whole of London contributes toward addressing London's housing needs.

Proposed policy changes to encourage higher quality and higher density development, small site residential development and lower car ownership are all present, however, we remain sceptical about how the housing targets are to be met without a green belt review and when stringent protection of Strategic Industrial Land (SIL) and Locally Significant Industrial Sites (LSIS) is proposed.

Key headlines to note:

- London needs to double the number of new homes currently being built to 65,000;
- Small sites target of 24,573 net additional homes proposed;
- Minimum 35% affordable housing provision, 50% on public sector land and 50% on Strategic Industrial Locations (SIL), Locally Significant Industrial Sites (LSIS) and other industrial sites deemed appropriate to be released for other uses;
- Mayor expects delivery of affordable housing to be maximised in Opportunity Areas;
- Density Matrix removed from the Draft Plan and there are no minimum density thresholds;
- General principle that there will be no overall net loss of industrial floorspace capacity across London in designated SIL and LSIS; and
- Need for a standalone Fire Assessment to be submitted with larger planning applications.

THE DETAIL: HOUSING

London's annual housing target has increased from 42,000 net additional homes per year to 64,935. A small sites target (0-25 units) of 24,573 net additional homes from small sites per year has also been introduced within this, as the Mayor proactively encourages Borough's to drive the optimisation of these sites to deliver higher density proposals.

"Boroughs should recognise in their Development Plans and Planning Decisions that local character evolves over time and will need to change in appropriate locations to accommodate additional housing provision and increases in residential quality' – Policy H2

How the Mayor is going to regulate and ensure that more development on small sites comes forward or indeed how he will ensure that planning decisions on smaller sites are delivering the optimal quantum of housing development that we need in order to address London's housing crisis is still a key question here. After all, the threshold for referable planning applications to the Mayor of London is 150 homes and no amendment to this threshold is proposed. Potential conflicts between local character and optimal output may constrain the ability of Planning Departments to fast track permissions on smaller sites and ultimately compliance with the 'small sites housing target' within a new London Plan. We therefore think that the GLA need to give more consideration to the 'carrot' and 'stick' that is going to assist with implementation of this policy.

With regards to town centres or sites within 800m of a tube/rail station with an existing or planned PTAL of 3-6, the emphasise is also clearly on optimising the potential for housing delivery. The Draft Plan takes a strong town centres first approach and encourages higher density residential only schemes outside of primary and secondary shopping frontages, where they would not undermine local character or the viability and vibrancy of a town centre. Surface car parks and other low-density town centre buildings are identified as potential development opportunities.

THE DETAIL: AFFORDABLE HOUSING

The Draft Plan's position on affordable housing has been well trailed and draws from the Affordable Housing and Viability Supplementary Planning Guidance (SPG) published in August, with few surprises. This is very helpful given we are all continuing to grapple with the intricacies of the new regime the SPG sought to introduce.

The Mayor expects to be judged on key election promises, including delivering affordable housing and especially more low-cost rented housing. There is a firm emphasis on schemes delivering affordable homes on-site and using grant funding wherever possible to help deliver more affordable housing across London.

Strategic Target – The Plan suggests a 'strategic target of 50% of all new homes being genuinely affordable'. In practice, the difference between 'genuinely affordable' and the tenure types we are all used to (including intermediate rent and shared ownership) is that social / affordable rents should be set at the Mayor's preferred 'London Affordable Rent' (not at up to 80% of market rents). A detail likely to continue to attract much attention is that even the Mayor's strategic 50% target falls short of need for affordable housing, according to studies he has commissioned. This evidence identifies just 35% of need as being for market housing. The last time this London-wide exercise was carried out in 2013 the same ratio was 48%. The difference is almost entirely accounted for by need for 'low-cost rent'.

Decision-making (site-by-site) - As per the Mayor's Affordable Housing and Viability SPG, the much-discussed 35% threshold does not apply to public sector land or industrial land (where 50% affordable housing will be sought). However, those with sites in Opportunity Areas and Housing Zones may be relieved to see these no longer seem to always fall within the Mayor's 50% category. Given the number of homes such sites are likely to deliver over the Plan period this looks to be a significant concession by the Mayor (even if Boroughs are encouraged to take an interest in Opportunity Areas). There remains much emphasis on seeking grant funding to take schemes beyond minimum thresholds.

Tenure mix – The Plan mostly follows the SPG. Build-for-sale retains the 30% affordable or social rent/30% shared ownership/40% LPA to determine tenure split. The preference for build-for-rent is discount market rent (with a preference for London Living Rent). Uniquely, the Draft Plan reiterates that co-living schemes should support affordable housing off-site (no discount market rent on site).

THE DETAIL: DENSITY AND DESIGN

Policies D2 and D6 of the Draft Plan sets out the Mayor's intended approach to optimising housing density across the Capital. The key features of the draft policy are:

- The Sustainable Residential Quality Density Matrix has been removed.
- No minimum density thresholds have been included.
- The density of development proposals will be based on the provision of future planned levels of infrastructure, rather than existing levels, encouraging 'active travel', and, in exceptional circumstances, may be contingent on the delivery of necessary infrastructure.
- Higher density development is classified according to the PTAL of a site. Where the proposals are deemed 'high density' a greater level of scrutiny of a scheme's design quality is required.
- Management plans will be required for higher density development, which set out the details of day-to-day servicing and longer-term maintenance implications as well as the running cost implications of these services.
- To help provide a more representative overview of the true density of a scheme, all planning applications that include residential units will be required to include the measures of density, i.e. No of units per hectare, No of habitable rooms per hectare, no of bedrooms per hectare and No of bed spaces per hectare.
- Floor area ratio, site coverage ratio and maximum height above ground level will also all be required for all major planning applications.

There is a clear statement within Policy D6 that "residential development that does not demonstrably optimise the housing density of the site" should be refused. The supporting text to the policy acknowledges that there will be a need to develop at densities above those in the surrounding area and that a design-led approach will be required. Interestingly, the Draft Plan places an emphasis on assessing the capacity of existing and proposed infrastructure, as well as the cumulative effect of other nearby developments, which should be addressed through Boroughs' Infrastructure Delivery Plans. The Draft Plan suggests that it may be necessary for the phasing of development proposals take planned infrastructure improvements into account. The Mayor is also seeking to support higher densities where opportunities to improve connectivity through the Healthy Streets Approach are promoted.

Will the Mayor's approach to density provide the necessary 'stick' to ensure outer London Boroughs in particular, improve rates of housing delivery? Will the need to provide an in-depth assessment of local infrastructure capacity simply frustrate development?

In terms of design, the majority of the standards remain the same but Policy D4 is worth noting. It seeks to ensure that the provision of dual aspect units is maximised and single aspect units avoided under normal circumstances.

The policy considerations for tall buildings also remain largely the same as the current London Plan, but perhaps unsurprisingly, Policy D11 introduces the need for a Fire Statement to be prepared and submitted with all major development proposals.

THE DETAIL: INDUSTRIAL LAND

The Draft Plan supports the functions of Strategic Industrial Locations (SIL), Locally Significant Industrial Sites (LSIS) and non-Designated Industrial Sites to maintain the efficient supply of land and premises to meet current and future demands for a wider range of uses, including flexible (B1c/B2/B8) hybrid space and low-cost industrial and space for micro, small and medium-sized enterprises. Retention and provision of industrial capacity across the three categories will be planned, monitored and managed in the context of the industrial property market area and borough-level categorisations.

Boroughs are encouraged to ensure that the need to retain sufficient industrial land and logistics capacity is not undermined by permitted development rights by introducing Article 4 Directions where appropriate.

The Draft Plan provides guidance on the approach to be taken by the Boroughs to manage industrial floorspace capacity. Boroughs are given the 'Provide Capacity' category where strategic demand for industrial, logistics and related uses are anticipated to be the strongest. Boroughs within the 'Retain' category will be required to seek to intensify industrial floorspace capacity following the general principle of no net loss across designated SIL and LSIS. The only exception to this are the three boroughs in the 'Limited Release' category (LB Barking and Dagenham, LB Havering and LB Newham) where industrial land vacancy rates are currently well above the London average.

Release of industrial land to manage long-term vacancy and to achieve wider planning objectives (including delivery of strategic infrastructure) will be facilitated through the process of industrial intensification, co-location and substitution through a plan-led approach or masterplanning process in conjunction with the GLA and relevant boroughs and not through ad hoc planning applications. Any release will be focused in locations that are (or are planned to be) well-connected by public transport and non-car modes and contribute to other planning priorities including housing (particularly affordable housing), schools and other infrastructure.

We are of the opinion that industrial intensification and release of land for residential use should be possible via planning applications if they include a thorough assessment of current vacancy rates and predicted future demand. In particular, schemes that result in no net loss of industrial floorspace and deliver substantial planning benefits (i.e. housing delivery, affordable housing etc) should be positively received by the GLA.

Retention and provision of new industrial capacity will be prioritised in locations that adhere to specific criteria, including sites that are accessible to the strategic road network and/or have potential for the transport of goods by rail and/or water transport; provide capacity for logistics, waste management, emerging industrial sectors; and provide capacity for micro, small and medium-sized enterprises.

There will be a requirement for proposals of industrial floorspace above 2,500 sqm GEA to consider the inclusion of smaller industrial units suitable for SMEs, particularly where there is local shortage and demand for such space.

The supporting text explains that over 1,300 hectares of industrial land was transferred to other uses over the period 2001 to 2015. This is well in excess of previously established London Plan monitoring benchmarks. GLA research indicates that there will be positive net demand for industrial land in London over the period 2016 to 2041, mostly driven by strong demand for logistics to service growth in London's economy and population. The same assessment indicates that after factoring in both the positive net land demands and the management of vacancy rates, there would be scope to release a further 233 hectares of industrial land over the period 2016 to 2041.

In terms of demand, the assessment shows that in 2015, 185 hectares of industrial land already had planning permission to change to non-industrial use and a further 653 hectares were earmarked for potential release in Opportunity Area Planning Frameworks, Local Plans and Housing Zones. The principle of no overall net loss of industrial floorspace capacity in SIL and LSIS is based on this evidence, although it will not apply to sites previously used for utilities infrastructure or land for transport functions which are no longer required.

THE DETAIL: OPPORTUNITY AREAS AND INFRASTRUCTURE DELIVERY

The strategic vision for London is focused on:

- The protection of the Green Belt and Metropolitan Open Land;
- 'All' parts of London needing to embrace and manage change, including Outer London, 'where the suburban pattern of development has significant potential for appropriate intensification over time, particularly for housing' (2.0.3);
- Opportunity Areas (OAs), which are now 'clustered' into strategic Growth Corridors (note that Areas of Intensification have been removed, so places such as Kidbrooke Village are no longer referenced in the Plan);
- Collaboration with Wider South East (WSE) patterns, manged with 'willing partners' through a 'non-statutory strategic structure';
- The Central Activity Zones (CAZs) and Town Centres, with an acknowledgment that 'Many town centres and the surrounding areas have potential to accommodate significant quantities of new housing'; and
- Strategic and Local Regeneration Areas, focused on 'sustainable and inclusive regeneration' (2.0.7).

The Draft Plan states (in 2.2.2) that London's Growth will be contained within its boundaries, with the Strategic Housing Market Assessment showing need for 66,000 additional homes a year and the Strategic Housing Land Availability Assessment suggesting London has land to accommodate 65,000.

The Draft Plan still contains a familiar looking 'Key Diagram', which shows planned or potential river crossings, public transport improvements or extensions, Strategic Employment Locations, Green Belt, Metropolitan Open Land and Ongoing Opportunity Areas and Town Centres.

This time around however, the 'Key Diagram' is particularly London focused, with wider connections and Growth Corridors through London into the South East Region being presented separately in Figure 2.15, along with a list of 13 Strategic Infrastructure Priorities which have been endorsed by the Wider South East (WSE) partners for 'initial' delivery.

The Mayor and the wider South East partners have identified 13 Strategic Infrastructure Priorities to lobby Government for funding that will help to facilitate 'Good Growth' across the wider City region.

Policies SD2 and SD3 on collaboration with the wider South East have little teeth and the Plan states that relationships with neighbouring authorities are only manged through a 'non-statutory strategic structure' (2.2.4) with the Mayor interested in working with 'willing' partners beyond London. This raises the ongoing question about the ability for London and the surrounding areas to plan collaboratively and effectively to promote and support growth in the Region as a whole.

Policy SD1 in relation to growth Corridors and OAs, is a slight reverse back to Ken's original London Plan which included Sub-Regional Chapters. However, on this occasion, the focus is on 'clustering' Opportunity Areas and linking them to particular Growth Corridors and, most importantly, planned public transport improvements.

The particular policy emphasise on this occasion is that 'Infrastructure is key' to unlocking and delivering within the OAs and proper planning of utilities, communications capacity and social infrastructure will be required 'well in advance of new development' (2.0.4).

The Mayor intends to put in place resources and support to achieve this and refers to his 'Good Growth Fund' as playing a key role in helping secure the maximum potential within the Growth Corridors and OAs. In practical terms, the message in 2.1.11 is that where development proposals are emerging and transport investment is not yet fully secured, delivery will need to be phased so as to not have an unacceptable impact on existing infrastructure.

This obviously raises questions over the speed at which funding is available and public bodies can operate to deliver new infrastructure in relation to the immediate need to deliver additional new homes across London. For example, the Thames Estuary is the priority for regeneration and growth with the potential to deliver 250,000 new homes and 200,000 new jobs, but this relates to a new Silvertown Tunnel, DLR Extension, River Crossing and Crossrail 1 Extension. The question is what is the definition of 'unacceptable impact' on existing infrastructure and how many new homes within the OAs can be delivered before this new infrastructure has to be in place? This detail is missing from the Draft Plan.

The Table (right) summarises the OAs and the expected number of new homes and jobs to be delivered in these. This shows that the OAs are expected to deliver 87% (568,000) of the total housing target in London over the next ten-year period (650,000).

Within the CAZ there is particular reference to the importance of Nine Elms and Elephant Castle. The

Growth Corridor / Planned Public Transport Improvements	Opportunity Areas	Homes	Jobs
Bakerloo Line Extension	Old Kent Road New Cross/ Lewisham/Catford Bromley Deptford	33,500	14,000
Crossrail 2 South	Kingston Wimbledon / Colliers Wood Clapham Junction	16,500	13,500
Crossrail 2 North	Lee ValleyWood Green / Haringey / Heartlands New Southgate	28,000	18,500
Thames Estuary North and South - Silvertown Tunnel - Rotherhithe to Canary Wharf river crossing - DLR extension - Overground extension - Crossrail 1 extension	Poplar Royal Docks London Riverside Greenwich Peninsula Charlton riverside Woolwich Thamesmead and Abbey Wood Bexley Riverside	127,000	115,000
High Speed 2 / Thameslink	Harrow & Wealdstone Wembley Colindale and Burnt Oak Brent Cross and Cricklewood Old Oak and Park Royal	61,000	107,500
Elizabeth Line East	Olympic Legacy Ilford Romford	50,000	66,000
Heathrow / Elizabeth Line West	Heathrow Hayes Southall White City Earls Court & West Kensington Great West Corridor Kensal Canalside	50,000	38,000
Central London (CAZ)	Paddington Victoria Tottenham Court Road Euston King's Cross Cirt Fringe / Tech City Vauxhall Nine Elms Waterloo London Bridge / Bankside Elephant & Castle Canada Water Isle of Dogs	132,600	308,000
Trams Triangle / London-Gatwick-Brighton Mainline	Croydon Sutton	19,500	14,000

Northern Isle of Dogs is referred to as a CAZ 'satellite', with Stratford and Old Oak identified as future reserve CAZ Satellites. The Draft Plan acknowledges 'specialist clusters of activity' within the CAZ that contribute towards the capital's national and international role. In exceptional circumstances, Boroughs can adopt these as Special Policy Areas to protect their identify and significance.

The protection of Office accommodation within the CAZ against residential conversion is still a policy priority with the Mayor encouraging Boroughs to adopt Article 4 Directions to remove office to residential permitted development rights. The Draft Plan does however, acknowledge the loss of office to residential if appropriate marketing evidence is provided, or via the use of land swaps, credits and off-site contributions.

Policy SD6 to SD9 relates to Town Centres and apply a 'Town Centres First' sequential approach, acknowledging that these have the capacity to deliver significant levels of new commercial and high-density housing. A key change within the Plan is the acceptance that edge of centre locations can also contribute more, and that the 'redevelopment of retail and leisure parks to deliver housing intensification is encouraged' (2.8.3).

LPAs are encouraged to carry out regular Town Centre Health Checks and produce Town Centre Strategies, as well as utilising Article 4 Directions to ensure the right balance of office, commercial and other uses are established in line with the Development Plan. The Draft Plan highlights a range of mechanisms for investment and ongoing management in Town Centres, such as Real Estate Investment Trusts, Local Asset-Backed Vehicles and Tax Increment Financing as well as specialist forms of housing investment such as Build to Rent, older people's and student housing.

Policy SD10 on strategic and local regeneration areas sets out that the Strategic Areas for Regeneration identified in figure 2.19 lie within the IMD 20% most deprived areas in England. In addition, the Draft Plan encourages Boroughs to identify Local Areas for Regeneration where these are not acknowledged by the IMD. Many regeneration areas overlap with the OAs.

RESIDENTIAL CAR PARKING

The message in the Draft Plan is clear, all development should make the most effective use of land and that car-free development should be the starting point. Outer London Boroughs should only adopt minimum car parking standards in areas with a PTAL of 0-1 and that are in accordance with the standards proposed within Policy T6.1.

The table (right) highlights the differences in residential car parking proposed between the current London Plan and the Draft Plan.

Location	Current Maximum Provision	Proposed Maximum Provision
Central Activity Zone Inner London Opportunity Area Metropolitan and Major Town Centres All areas of PTAL 5-6 Inner London PTAL 4	Up to 1 space per unit	Car-free
Inner London PTAL 3	Up to 1 space per unit	Up to 0.25 spaces per unit
Inner London PTAL 2 Outer London PTAL 4 Outer London Opportunity Areas	1 to 1.5 spaces per unit	Up to 0.5 spaces per unit
Inner London PTAL 0-1 Outer London PTAL 3	1 to 1.5 spaces per unit	Up to 0.75 spaces per unit
Outer London PTAL 2	Up to 1.5 spaces per unit	Up to 1 space per unit
Outer London PTAL 0-1	Up to 2 spaces per unit	Up to 1.5 spaces per unit

NEXT STEPS

The Consultation on the Draft New London Plan runs until the 2nd March 2018. The next steps are then:

- Examination in Public – Autumn 2018; and
- Publish final London Plan – Autumn 2019.

Please feel free to contact any members of the London Plan team if you have any questions or queries regarding the Draft New London Plan.

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