

INTEND TO PUBLISH LONDON PLAN**GOOD GROWTH & HOUSING****What now?**

Two years after the publication of the Draft Replacement London Plan in December 2017, a number of public consultation periods and an Examination in Public (EiP) during January and May 2019, the Mayor sent his final 'Intend to Publish' version of the Plan to the Secretary of State (SoS), Robert Jenrick, on the 9th December 2019.

The EiP report from the Panel of 3 Inspectors recommended 55 amendments to the Draft Plan. The Mayor's letter of 9th December 2019 to the SoS confirmed that he has accepted 28 of these recommendations in full, 12 in part and rejected 15 (although, my reading of the material shows the Mayor accepting 30 recommendations, 10 in part and rejecting 15).

The SoS now has 6 weeks until the 20th January to advise the Mayor if he is content that the Draft Plan is in conformity with national planning policy and would not be detrimental to the interests of an area outside of Greater London. The lack of coordination with the wider South East and the Draft Plan no longer setting housing targets to meet the identified need within London's boundaries surely challenges the 'detriment to wider interests' point?

Reduced Housing Target

Of particular note is the acceptance by the Mayor of a lower housing target for London (from 649,350/65,000 pa to 522,850/52,000 pa over the period 2019 - 29). This came as a direct result of the Inspectors' lack of confidence in the Mayor's housing targets for small sites (i.e. those below 0.25 hectares). While the policy itself has merit, listening to the arguments from various Boroughs about the numbers being retrofitted in order to fill the gap between the large sites delivering 450,000 (45,000 PA) over the plan period and the 650,000 (65,000 PA) home target, it is not surprising the Inspectors' were unconvinced and asked for it to be deleted from the Draft Plan.

Some Boroughs were being asked to increase their small sites delivery by 7 or 8 times current rates and the examples provided by Officers at the EiP as to how this could be achieved, such as converting 10 standard Victorian homes for every 100 in London, where impracticable and unreliable. However, the Mayor has only accepted the Inspectors' comments in part and is seeking to maintain a small sites policy with reduced housing targets (from 245,730/24,500pa to 119,250/12,000pa) for Boroughs on these sites.

The Mayor says the Plan is underpinned by the concept of 'Good Growth'; Growth that is socially and economically inclusive and environmentally sustainable. While this is a laudable statement, it is worth highlighting that the updated Strategic Housing Market Assessment (SHMA) released with the 'Intend to Publish' London Plan shows that when backlog need, affordability and the likely rate of second and vacant homes are taken into account, the net requirement for new homes in London between 2016 and 2041 is estimated to be around 65,900 homes a year, similar to the original housing target proposed. Has the Mayor therefore done enough through his Draft Plan to allocate sufficient land and set a policy framework that will meet London's housing needs within the City's boundary? The short answer is no, and the result is the de facto exporting of housing need to the wider South East with no effective mechanism to address.

While the 2017 Strategic Housing Land Availability Assessment (SHLAA) findings cover the period to 2041, the Draft Plan only sets targets for 10 years and no longer includes annual targets for the London Boroughs, which is contrary to the PPG Guidance and NPPF (para. 22) which requires strategic policies to look ahead over a minimum 15-year period. This raises queries around the longevity of the housing numbers in the Draft Plan and how Boroughs will be reporting on their annual monitoring and demonstrating a five-year supply of housing.

While it looks that the target is set to increase from the currently Adopted London Plan (424,000/42,000 pa to 522,000/52,000 pa), it still falls approximately 140,000/14,000pa short of the Mayor’s objective assessment of housing need. Also, given London only delivers in the region of 37,000pa (average for the past 5 years 2014/15 – 2018/19), this feels like a bit of a ‘get out’ for the Mayor.

This is the first time in London that the Mayor and SoS are wearing different political colours. Whether this presents a tension in agreeing the Mayor’s response to the Panel of Inspectors remains to be seen. Failure to meet need will increase pressure on the largely conservative led home counties but the absence of a ‘duty to co-operate’ may well result in this need going unmet. This is a somewhat unsatisfactory position from planning and housing perspective.

The Mayor’s Housing Programme

That said, the Mayor has clearly made a particular point in his submission to the SoS that he is: *‘absolutely committed to delivering more of the homes that Londoners need, and this will include making much greater use of small sites across the capital as well as brining new players into the market.’* Linked to this is the Mayor’s *‘Note of interventions to increase housing delivery in London’* which was included in his submission to the SoS. This is one of the more interesting reads out of the various papers and highlights various development opportunities going forward, which also makes numerous political references to the need for Central Government to invest in the infrastructure and affordable housing required.

The Mayor makes a point to highlight that his programme of housing delivery is more than just planning policy, but includes his Housing Strategy, investment decisions and land interventions as summarised in the table below.

Mayoral Commitment	Comment
<ul style="list-style-type: none"> Community-led Housing Hub and London Community Housing Fund 	Supporting community-led organisations with a target to deliver 1,000 new homes by 2021, along with £38m capital grant, land and revenue support to strengthen this part of the industry.
<ul style="list-style-type: none"> The Small Sites, Small Builders Programme 	This approach was trialled in 2018 with 19 surplus TfL sites. The Mayor is now expanding this to support public landowners with their small sites, and we are currently assisting Newham and Kingston with the delivery of their small sites programme.
<ul style="list-style-type: none"> Affordable Housing & Viability SPG Affordable Homes Programme 2016 – 21 Building Council Homes for Londoners Programme The Homebuilding Capacity Fund 	<p>The Mayor has 16 strategic partnerships with Housing Associations and is now providing support for small and medium-sized associations, alleviating cash flow pressures at an earlier stage of a project, along with providing direct funding for Council’s to build their own affordable homes.</p> <p>One to watch is whether the Mayor will update the Affordable Housing SPG and consider upping the 35% affordable housing threshold for the ‘Fast Track’ approach.</p>
<ul style="list-style-type: none"> Public Landowners London Development Panel (LDP2) Proactive intervention in London’s Land Market 	<p>City Hall is entering into development agreements on the development of its own land and TfL is bring forward a programme to deliver 10,000 new homes started on site by March 2021. The Mayor’s LDP2 also provides a cost and time saving for housing association and public landowners looking to partner up with developers.</p> <p>Funding is available to support land interventions in order to acquire land and prepare it for build out. IN parallel, policy work is being undertaken with a view to trialling new approached to land assembly.</p>

<ul style="list-style-type: none"> • Area Design Codes • Detailed Design Guidance • Public Practice • Diversifying housing products • Build to Rent and its ability to accelerate housing delivery 	<p>The Mayor highlighted the importance of area design codes and is currently preparing detailed design guidance to support the London Plan. Density analysis is now based on Design Reviews and Infrastructure Capacity Assessments, increasing project programmes and creating more subjectivity into the matter.</p> <p>Public Practice has placed 84 built environment experts into placements across 36 public authorities and, while Build to Rent is highlighted, the special economic circumstances of this product is still not being fully recognised with many BtR schemes having to convert back to conventional sale due to the 35% affordable requirement.</p>
<ul style="list-style-type: none"> • Precision Manufactured housing (PMH) and the Prism app • Tackling the construction skills gap 	<p>Prism enables homebuilders to more easily assess the viability of a precision manufactured build much earlier in the process.</p> <p>The Mayor’s Construction Academy (MCA) has created an MCA quality mark and seven MCA hubs in order to help more Londoners train in the skills needed to access jobs in construction.</p>

The above sets out a comprehensive housing programme and the Mayor has highlighted in his *'Note of Interventions'* that *"In 2018/19, the Mayor supported the delivery of 14,544 affordable homes in London - more than in any year since housing investment was devolved to City Hall - and 1,916 council homes - the highest number of council homes started in London for 34 years"*.

That said, overall, the outcome of the final Draft Plan is a housing target which bumps up London’s unmet housing need by a further 14,000 dwellings per annum, so the Mayor will be under increasing pressure to find new sites for development.

London’s Green Belt

While he has set out a comprehensive programme for housing delivery, contrary to the recommendations of the Panel, he has declined to include a commitment in the Draft Plan to carrying out a strategic review of London’s green belt as part of the next London Plan Review. In short, the Mayor says in his response to the SoS that any review of the Green Belt cannot take place as part of this Draft Plan, but is a matter for a future iteration of the London Plan and has proposed the following new text within the introduction:

"0.0.22 The Plan does not meet all of London’s identified development needs. Work will need to be undertaken to explore the potential options for meeting this need sustainably in London and beyond. This is a matter for a future Plan and requires close collaboration with local and strategic authorities and partners. Clear commitment from the Government is essential to support the consideration of these options and the significant strategic infrastructure investment requirements associated with them."

The Mayor’s reluctance to address the Green Belt now might exacerbate the affordability issues of London’s existing housing stock and the situation could also have unfavourable consequences for London’s industrial and employment sites, which may come under additional pressure for redevelopment.

Whilst the Plan has attempted to meet London’s industrial development needs through the protection and intensification of existing designated industrial sites, the Panel had raised concerns over the practicality and viability of the policies which seek to intensify industrial land through the co-location of different uses.

With only a small supply of surplus industrial sites left to provide additional capacity, concerns were also raised as to whether such an approach would sufficiently meet future demand for industrial space within the capital. The decision not to commit to a strategic review of the green belt was rejected in this context too.

While a Green Belt review might prove to be more popular with planners than with the politicians or public, it is time that such a review takes place because the inescapable conclusion by the Inspectors' highlights the difficult choices London faces. We need to look at all options and ensure that the London Plan is compliant with the NPPF through explicit reference to the 'very special circumstances' and 'exceptional circumstances' tests, which is not only sensible but rather a prerequisite to the notion of 'Good Growth'.

From the Mayor's perspective, a more open approach to London's green belt would mean relinquishing one of his key manifesto pledges and potentially compromising the effectiveness of other policies in the Plan. Others might view it as unrealistic and essentially a reluctance to properly plan for London's existing and future needs. As the Plan continues to diverge from national policy, I can't help thinking the SoS might require the Mayor to make further amendments to it, lest its publication be blocked by a holding direction.

Given the Mayoral elections in May, the Mayor might take a pragmatic view and make any required changes to get the Plan over the line, in order to avoid his strategy falling by the wayside if a new Mayor were to be elected. All will become clear early in this New Year; the Secretary of State must respond to the Mayor by 20th January 2020.

Even if the SoS agrees that the Mayor can adopt the Plan as proposed, it is important to remind ourselves that the housing targets were truncated to 10 years in any event. The need to maintain a 5-year land supply effectively means that a review will need to be commenced immediately.