

London Assembly (Mayor's Question Time) – 21 October 2015

Transcript of Agenda Item 4 – Oral Update on the Report of the Mayor

Jennette Arnold OBE AM (Chair): Mayor, do you need five minutes to update us on any matters?

Boris Johnson MP (Mayor of London): I do not know how long I need, but I will give you a quick report, Jennette.

Just to remind the Assembly, we have had a record number of affordable homes but also in the last few weeks I was able to announce that 52,000 Londoners on modest incomes have moved into part-buy/part-rent homes. These are incredibly important because so many Londoners want to get a share in the value of their home.

I went to see a fantastic project up at Waltham Forest at Gallery Court in Fulbourne Road where there are about 124 mixed-tenure apartments. The average starting outlay is about £63,750. We have deposits for as little as £5,000, averaging £13,000 for the deposit for the purchase. Average household wages for these homes are about £37,000. If you can imagine two people with a collective income of £37,000, it is really within Londoners' reach. That was a wonderful project to see.

We have launched a report on the dynamism of London's creative industries, which are now worth almost £35 billion to the economy. That seems to have more than doubled. The last figure I used to use was £16 billion and so it seems to have gone up massively.

We had a trade delegation to Tokyo, which was extremely successful, particularly in the biotech, med sciences and financial tech sectors.

I just want to say one thing about what Len had to say, if I may.

Jennette Arnold OBE AM (Chair): Before you go into that, let us stay with your update because --

Boris Johnson MP (Mayor of London): Yes, I am sorry. There was one thing, you are quite right. I will come to that.

Jennette Arnold OBE AM (Chair): Can I just finish, to remind you what I do want to hear from you about; you have been asked to update the Assembly on the impact on London of the Government's decision announced on 13 October to permanently change the permitted development rights rules --

Boris Johnson MP (Mayor of London): Yes, that is quite right. Forgive me. You are quite right, Jennette. We have been actively lobbying the Government - this is Nicky's [Nicky Gavron AM] question - to reconsider its proposals to liberalise change-of-use from office to residential. In 2013, we had exemptions from these permitted development rights, which are potentially very damaging to London's ability to use office space for all of the Central Activities Zone (CAZ), for Tech City, for the northern part of the Isle of Dogs, for all the enterprise zones and for the Royal Docks. The risk was, as you will recall, that those exemptions under article 4 were going to fall away and we secured from Greg Clark [The Rt Hon Greg Clark MP], the Secretary of State, an extension until May 2019, until which the boroughs can continue to make their own decisions about change-of-use for planning applications.

I accept, Nicky, that that still leaves parts of outer London, as it were, unprotected. I am getting some incoming here from my right already from the Mayor for Tower Hamlets [Mayor John Biggs AM].

Do not forget that there is still, in many places in London, an excess and surplus capacity of office space and we have a huge housing shortage. Sometimes you really can convert these schemes into good housing projects and I do not think that that should be forgotten.

The only thing I would say, just finishing up on Len's [Duvall AM] opening statement, is that I just --

Jennette Arnold OBE AM (Chair): Assembly Member Gavron, I will call you in a moment. Mayor, can you note what Assembly Member Duvall has said? Was it just something brief you wanted to add?

Boris Johnson MP (Mayor of London): Yes, a brief comment on it. I think Members of the Assembly and everybody here will accept that whatever robust language we may use in this place - words like 'Luddite' or whatever - violence in this place should not be allowed to exercise a chilling effect on debate and exchange in the Assembly.

Jennette Arnold OBE AM (Chair): Alright. We would all agree with that. We are not going to go any further with this. We have business to do here. Assembly Member Gavron, a question in response?

Nicky Gavron AM: I heard what you said, Mayor, about the permitted development rights and the relaxation of them and on housing. Of course, the result of this policy is that these homes will not be the right type of homes in the right place. It lets developers off the hook and none of them will be affordable.

To get to the main point, you seem to be - you are - pleased that you have an extra three years on the exemptions, as you said, for parts of London --

Boris Johnson MP (Mayor of London): Almost four years.

Nicky Gavron AM: -- and I accept that you have those three years.

Boris Johnson MP (Mayor of London): Almost four.

Nicky Gavron AM: However, that is only for part of London and, in fact, this policy affects the whole of London and the whole of London's economy and outer London is being very hard hit.

I would like to ask you, can you tell us how much office space has been lost so far when it was temporary in outer London?

Boris Johnson MP (Mayor of London): I have a figure here. I think this is for --

Nicky Gavron AM: Could you just tell us the number?

Boris Johnson MP (Mayor of London): -- the whole of the city. I do not have the figure for outer London, which is what you have just asked for, but --

Nicky Gavron AM: I only just --

Boris Johnson MP (Mayor of London): Sorry. Could I just give you the answer? About 1 million square metres of space has been approved through the permitted development rights process for conversion to approximately 17,500 dwellings.

I appreciate that there is a shortage of good office space in central London and that office rents are going up. On the other hand, in outer London that is not necessarily the case everywhere. There are many people who need good homes and it is not insane to make conversions and provide homes.

Nicky Gavron AM: Let me just say that the figure is actually over 800,000 square metres of office space that has been lost.

Boris Johnson MP (Mayor of London): I said 1 million square metres.

Nicky Gavron AM: Of those approvals, 320 have been for fully occupied, whole-office buildings with lots of businesses in them, with rents going up, businesses being driven out and employees and tenants being evicted.

About a year ago you said you were going to go 'thermonuclear' on this policy. You said it was very damaging to the whole London economy. Now it is worse than that. It is worse than that because it is not just applying to offices; it is applying to workshops, to light industrial space, to studios. We are going to lose all of those artists' studios. This is the lifeblood of this city. This is where start-ups and entrepreneurs have to be. I would like to ask you - you have put out a press release welcoming this --

Boris Johnson MP (Mayor of London): I did.

Nicky Gavron AM: -- what it is about you and your Government that you can come in with such a reckless, bad policy?

Boris Johnson MP (Mayor of London): I have to say that it is a little bit rich for you, Nicky, to start bashing us for increasing housing supply in London, which is what we have been doing. You have spent the last eight years moaning on about our failure to build more homes.

Nicky Gavron AM: The offices are fully occupied.

Boris Johnson MP (Mayor of London): We have now knocked you out of the park by building more homes than Labour ever did and so you have elegantly switched your line of attack to loss of office space. As I have tried gently to point out, actually, we have secured protections for quite a lot of London: for the CAZ, for --

Nicky Gavron AM: Only for three more years.

Boris Johnson MP (Mayor of London): No, until May 2019, which, by my maths, is longer than three years. By the way, you were not quite correct in what you said just now; only 55% of the office space was even part-occupied. Many hard-pressed Londoners are hoping to have the possibility of a home in an area. I am looking at Steve O'Connell [AM] now, who has done magnificent for Croydon. In parts of Croydon and parts of Sutton, I have seen schemes where it has been sensible to make a conversion from --

Nicky Gavron AM: This is giving London unaffordable work space, Mayor --

Boris Johnson MP (Mayor of London): If I could just finish the point, we are talking about underused office blocks in outer London, which can sometimes be converted for residential purposes to the advantage --

Nicky Gavron AM: I agree with you. I agree that they can be converted but through the planning system, Mayor.

Boris Johnson MP (Mayor of London): That is all we need to say. If you agree with me, then let us knock this on the head.

Nicky Gavron AM: I am only talking over you because it is through the planning system that all of this can be done. This is now handing property developers a huge windfall. It is changing the asset value of places where people live and work.

Boris Johnson MP (Mayor of London): Let me come back to you sincerely on that. Where there are big schemes over a certain number, under the Housing Bill and the proposals now coming forward, thanks to the lobbying of this place, we will have the powers to call in schemes of more than 50 dwellings, which will give us great discretion here in this place to decide against the depletion of office stock in outer London and, indeed, the workshop space that you referred to. I can tell you that many a time in our planning sessions I will be presented with proposals that our Greater London Authority (GLA) planners do not think are right for London because they cost too much work space and we chuck them out. We now have more powers to do that.

Jennette Arnold OBE AM (Chair): Assembly Member Gavron, thank you. For anyone watching or interested in that important subject, there is more to be found out by following the work of the Assembly's Planning Committee.