

Outer London Commission Minutes

Full Review of the London Plan

Bexley 29th July 2015

Attendance:

OLC Members

Will Mckee	Chair	WM
Cllr Teresa O'Neill	Leader of Bexley	TO'N
Cllr Steven Carr	Leader LB of Bromley	SCr
Tony Pidgley	Berkley Homes	TP
Peter Eversden	London Forum	PE
Ian Gordon	London School of Economics	IG
Corrine Swaine	Arup	CS
Lucinda Turner	TfL	LT
Keith Mitchell	Peter Brett Associates	KM
Sue Wilcox		

Non- OLC Members

John Lett	GLA	JL
Rachael Rooney	GLA	RR
Darren Richards	GLA	DR
Angela Epps	Peabody	AE
Martyn Thomas	LB of Havering	MT
Alex Csicsek	London Assembly Labour Group	AC
Naomi Pomfret	LB of Barking & Dagenham	NP
Julia Bray	TfL	JB
Peter Wright	TfL	PW
Mark Egerton	LB of Bexley	ME
Will Tuckley	LB of Bexley	WT

1. Welcome and Introductions

The Chair welcomed everyone to the meeting.

Cllr TO'N welcomed everyone to Bexley.

2. Growth Options and Barriers to Housing Delivery

ME presented the LB of Bexley's perspective on Growth Options and Barriers to Housing Delivery – see attachment slides.

RR presented the OLC Presentation on Growth Options and Barriers to Housing Delivery – see attachment slides.

The Chair then opened the floor for discussion.

One of the Commissioners started by asking what the local authorities' reactions were to accepting potentially higher targets and needing to find more homes.

One borough responded saying they were up for more homes. They were already proposing 31K homes – however they needed more infrastructure to support it. They stressed they weren't speaking for others as some might want it other might not – depends on opportunities.

Another borough responded saying some boroughs are building homes to create money – however they don't see the benefit of building more homes as this will just result in increased migration from inner London. There are also huge political problems trying to get buy-in from local people. They feel they are already delivering at capacity and they already allow positive applications.

Another borough said they had the capacity but most of it wasn't deliverable or wouldn't realistically come forward.

The Chair asked what the factors were behind that.

The borough responded saying they had lots of very large sites – eggs in all baskets issue. Rate of release was also an issue as developers didn't want to flood the market. A major concern was infrastructure as well as the balance between employment and housing being very important.

Another borough said that they worked closely with the GLA to get the numbers up without release of greenbelt. However the release of industrial land is a concern, particularly the quality of the housing coming forward replacing it.

Issues of heights and densities – leads you to the option of increasing density in town centres as well as bigger sites. Understood what one borough was saying in terms of a chicken and egg situation – if you build it they would come! The borough also said however they had poor transport connectivity and therefore you couldn't detach one issue from the other.

A Commissioner asked whether there were opportunities for local authorities to be building companies themselves.

The response was yes. One particular borough was setting up a delivery vehicle to enable this.

Another said they had started work on a call for sites – there were 40 proposals as it stands. It was unsurprising that a number of sites had come forward in the greenbelt. Local papers have given it coverage (greenbelt sites) and since the phone hasn't been off the hook!

One borough asked about the various delivery vehicles available and said as many as possible should be used.

A different borough supported this and said that joint ventures were also important rather than selling public land to developers to make profit.

The GLA asked whether boroughs were willing to do a greenbelt review. It was highlighted that Redbridge had started looking at it and that while they did get some opposition, it was not as much as expected.

One of the boroughs responded saying they will do a greenbelt boundary review as part of their local plan review, however at present their politicians are very keen to maintain it as it is.

Another borough said that London had to be in line with national policy which says the amount of greenbelt should stay the same.

The GLA responded saying the London Plan is in line with national policy. National policy says if it can be released if it is justified.

A different borough said that it was not something there were considering at the moment – they would concentrate on industrial land release first. Other boroughs also reiterated that their politicians wanted to keep greenbelt as it is.

One of the Commissioners asked whether if the future Mayor got more control over national rail – then maybe there would be potential for more stations in the greenbelt. Following that, it would make sense to expect development around these stations as the PTAL in the area would have increased.

One of the boroughs responded saying they were not necessarily looking at new stations but rather looking to invest to upgrade existing services.

TfL also responded saying that a priority is improving the capacity on existing lines. There is a tube upgrade programme along the corridors.

The Chair asked how TfL prioritised between opening up growth corridors compared to reducing congestion on existing commuter lines.

TfL said in the past it was more towards the latter however they are moving more towards unlocking growth. Again TfL reiterated that there is only a finite pot of money so therefore it is about the case that can be made for uplift potential etc.

The Chair said that maybe the Commission should think about questioning that balance and prioritising unlocking growth more.

TfL responded saying that was a conversation / agreement with Treasury - if can make the case to unlock growth – could help with the case to increase the pot of funding.

A Commission mentioned that one issue with the control of the rail network is operational priorities lining up with operators' priorities. This will always be an issue until powers are devolved to London – if that happens. Devolution is not just about money but about aligning priorities.

One of the boroughs asked the question of when infrastructure should be delivered. Should it drive demand or be in place beforehand.

TfL said buses are much easier in terms of responding to demand – hard infrastructure is much harder to align. They understand that communities want a quid pro co and need to see the benefit of development in their areas.

The Chair said the Commission could make a strong point on this.

A Commissioner said that since the 2004 London Plan there has been an emphasis on intensification of land use in outer London, however many boroughs say that it is their NIMBY groups that stop development.

One borough responded saying they didn't feel it was NIMBY in their area per se but it was more about not being able to access infrastructure, particularly social infrastructure.

Another participant said there should be a focus on brownfield land and growth should be accommodated in town centres and OAPFs in order to protect the characteristics of other areas.

The Chair asked whether boroughs felt there were particular barriers to the delivery of brownfield land. He pointed to a survey that showed some of this land is totally undeliverable due to costs under any foreseeable future. He then asked whether boroughs had an evidential base on brownfield sites.

One borough said they had partial and variable evidence. The more problematic sites had very little information. A real constraint is priorities for resources in-house.

Another borough said they have had sites that historically were thought to be very difficult but they have been brought into development through having the right people with the right skill set to unlock them. Problems are often with viability – in outer London viability is often on the margins – needs to specialisms to unlock these.

The Chair reiterated that there had been a report in Planning about the impact of local authorities charging CIL and that was resulting in the amount of affordable housing going down. He also said that the viability assessment is not difficult – people might feel they get hook-winked but it is not a difficult process – there is a finite pot of money and there are too many requirements placed on development.

One borough responded saying that CILs should reflect viability margins. Planning obligations are currently pooled in their borough to maximise income and allow flexibility as to what they do with it.

One of the Commissioners said that they got the feeling developers would try to lower affordable housing provision regardless of CIL.

One of the boroughs asked what happens when central London boroughs start building in their borough and having nomination rights for tenants.

The Chair then asked whether there was any enthusiasm for local authorities to go back into the house building game.

Yes was the response. Although some of the boroughs had caveats such as joint ventures rather than direct house building. But the majority were open to explore different ways this might happen.

The Chair then asked what it is that boroughs brought to the table.

One borough set out the following: land, borrowing capacity, certainty to the permission process, reduction in risk, etc.

A Commission pointed out that CPOs should really be part of that mix.

The GLA mentioned the Government's proposal for increasing the provision of starter homes and suggested it might be as much as 200K. This would potentially impact need – potentially reducing need as there would be more people in owner occupation.

One of the commissioners said that they expected it would just 'fuel the fire' – getting more people onto the property ladder. It is typical of what the Government is currently doing, in that many of these policies are not designed with London in mind.

Going back to the renegotiation of sites, another Commissioner asked whether those in this quadrant felt there was an issue with negotiation skills in which some schemes came back time and time again.

One of the boroughs said that it had slowed down in their borough but typically a site would be brought up, it would get planning permission and then be re-sold with that planning permission. The value of the site is still the same but the costs had gone up in the sale – therefore the new owner wants to increase the value. This is known as land owned in speculation.

Another borough agreed and said part of the problem of the system is the speculation process. Land banks are slowly coming on stream but they don't have the values from pre-2008.

The discussion then turned to the greenbelt. One of the Commissioners said that no serious developers look at sites in the greenbelt. These types of sites bring no benefit to communities. He then highlighted that it was important that the Commission looks at the benefits developments will bring to communities. There is a balance of the regeneration of larger sites. For example council estates can yield upto 600K units – lots of potential to increase density, however recognise there are also problems. Need to offer existing communities benefits for decanting. One of the problems of the exploration of building costs is the shortage of skills. Another big barrier for developing sites is the Government's drive for best value. CPOs are also a very slow process. A scheme was cited which had taken over 8 years to get a spade in the ground. However they did stress that it is not the planning system per se, it's the lack of skills.

Another Commissioner further stressed the point about the skills issue and that it must be a barrier to getting approvals. However if the Government want people to be building then they need to do something about skills/ material shortages.

A borough wanted to stress that it was an important message that local planning authorities were not a drag on the system.

A Commissioner pointed out that funding and infrastructure must lead development and said that one of the problems was that local planning authorities think that developers have large sums of money, but that is simply not the case.

Another Commissioner asked about whether the size of sites and build out rates were an issue - did sites need to be disassembled.

The response was, in recession yes it matters - sometimes only able to release 60 -90 units per year. However what is more important is the mix of units – that can help with release rates. In terms of the big sites – finance is the biggest issue - once you've pressed the button need to release as many units as possible. People think developers sit on sites to increase the price by 10% but speed is paramount. Lose more in interest payments than would ever gain in profit. Modern methods of construction are also important.

The GLA asked whether agreements / conditions could be used to split up sites – i.e they had to be used within 3 years.

A Commissioner asked whether there is a need for a bigger pipeline or disassembly of sites.

It was pointed out that until recently London had not had as large sites as they do now so there hasn't been opportunity for increasing densities to levels being talked about now.

If sites were divided up – there is concern that development would be piecemeal and there wouldn't be a holistic view. Each developer would develop to their own benefit not the wider benefit of the whole site.

One borough said they look to masterplan the large sites in their borough themselves. Another borough said that it needed to be locally led – the Mayor does not need to get

involved. Another borough said that the role of the local authority was to provide a clear ambition / opportunities / constraints including design opportunities.

The Chair then stopped the meeting for a break.

3. Regional Co-ordination

JL presented the OLC presentation on regional co-ordination – see attachment slides.

The Chair opened by saying that what can be seen as opportunities for London doesn't matter if you don't have the alliance of the willing. He also asked what people would see as a concrete outcome.

The GLA also pointed out that the new minister had endorsed the approach that was being put forward, which is more positive than the previous minister.

One borough said that they already did have relationships with others outside London and they have as much in common with Dartford as they did with Greenwich.

Another said in terms of the form of a structure its 'horses for courses' – relationships should be built as need arises.

One of the Commissioners pointed out it's a lot about attitudes – many outside London did not want to build dormitories suburbs for London.

A borough said that other boroughs often see them as a gateway into London and they have very productive relationships with those outside London.

A Commissioner asked whether the boroughs thought SMEs were being driven outside London due to PD rights and office to residential conversions.

One of the boroughs didn't think this was the case as far as they knew.

The Chair asked whether it would be helpful to focus interest in economic areas or transport corridors.

The response was 'to an extent' – different geographies for different reasons. It is important to share information and potentially services.

Another participant said that there still were partnerships across the country which were working. Eg North Kent, South Essex – partnerships based on skills, economy.

A Commissioner then asked about shared interests - whether there was still interest in a Thames Gateway new airport. Other issues to galvanise boroughs on commonality might be waste disposal sites, retail – Lakeside, Bluewater?

Again the response from the boroughs was that different partnerships exist for different things eg health, skills etc. If try to open up so that everyone is involved in everything – won't get anything done.

The GLA said that officers view was that one stream could be a pan London approach with the purpose to 'let off stream'. Others could potentially follow transport corridors. Some will have a limited life until the issue is resolved whereas other approaches maybe more permanent.

One borough outlined how they worked with their neighbours – particularly around skills and colleges - so that the distribution of services in colleges was spread across inside and outside London to increase the variety of courses available by working together.

Another borough explained how they worked closely with their neighbour on development opportunities.

The GLA then asked whether there should be more sharing of data / joint working eg shared SMHA.

A borough suggested that for the key strategic projects – there needs to be greater co-ordination across boundaries.

One of the Commissioners then asked about Outer London Strategic Development Centres and whether the boroughs had got any in their boroughs or across their boundaries. These are centres of excellent – clustering of specialisms rather than being distributed.

One borough responded by saying they shared a hospital with a borough across the boundary and explained again about distributed college courses between the boroughs but wasn't sure clustering in the sense the Commissioner described was happening.

The Chair said that it would be interesting to have an inventory of what goes on at the moment in order to help inform changes to chapter 2 on the London Plan.

A Commissioner pointed out that it is not so much what the London Plan says as in reality planners don't actually decide these issues at all – this is a lie that runs through the whole London Plan that planner influence these spatial patterns and decisions much more than they do. In fact there is a whole set of complicated arrangements and interactions that need to be understood. These are regional issues and need regional solutions. Shouldn't pretend that people go where planner want them to.

The Chair said that he expected a pyramid of issues and would expect a correlation between growth/ housing/ jobs which is common across a range of areas.

One borough pointed out that we should be careful that the London Plan doesn't try to say what will happen elsewhere.

A Commissioner said that partnerships are the place to start. In terms of concrete outcomes these should reflect shared interests. He highlighted that there needed to be incentives for those outside London.

The GLA said that a concrete outcome might be a regional narrative which sets out some shared challenges and the coalition of the willing. It is also important to emphasise the advantages of working together.

The Chair said that in terms of the presentation – he felt that the form and function were the wrong way round. Need to have an agreed set of issues and then sort out the best arrangements for dealing with them.

A Commissioner asked what effects migration patterns were having on London compared to other cities, particularly in relation to the huge travel costs. People need to move further out in order to afford a home but the trade off is the commuting costs.

The GLA said that another scenario could be to accommodate lower income families from inner London into more affordable homes in outer London or beyond. If TfL had control of the regional railway network it could then provide a form of subsidy through workers trains – concessionary rail tickets.

A Commissioner responded by saying that there are significant problems with that. People are inherently unpredictable – and that approach might have unintended consequences – and not actually help those it is designed to but may benefit the wealthier residents who take advantage.

It would be interesting to see the relationship between interest paid on mortgages compared to commuting costs.

One the Commissioners then asked whether there is any interest still in garden cities in the wider SE – it is still high on the government's agenda but can't see tangible ways of delivering it.

There would need to be a lot of lobbying to government about upfront infrastructure monies for garden cities – would also need London's support – may offer opportunities for more affordable homes.

The GLA responded that there were some opportunities identified but a lot more work is need to develop further.

The Chair asked whether anyone else wanted to add anything to the discussion and then closed the discussion.

4. Date of next meeting

RR explained that the deadline for Submissions was 11th September and that the first part of the report of Regional Co-ordination would be published in November 2015 and the second part of the report on Growth Options and Barriers to Housing Delivery would be published in Feb/March 2016.