

Outer London Commission Minutes

Full Review of the London Plan

Ealing 21st July 2015

Attendance:

OLC Members

Will McKee	Chair	WM
Colin Standbridge	London Chamber of Commerce	CSt
Peter Eversden	London Forum	PE
Ian Gordon	London School of Economics	IG
Alistair Parker	Cushman & Wakefield	AP
Corrine Swaine	Arup	CS

Non – OLC Members

Richard Linton	GLA	RL
Rachael Rooney	GLA	RR
Robin Brown	Community Group	RB
Rachel York	TfL	RY
Patricia Cazes-Potgieter	TfL	PCP
Paul Lewin	LB of Brent	PL
Andreas Sampson Geroski	LB of Harrow	ASG
Cllr Barry Kendler	LB of Harrow	BK
Nick Lynch	LB of Barnet	NL
Steve Barton	LB of Ealing	SB
Frazine Johnson	Hillingdon Chambers of Commerce	FJ
Peter Wright	TfL	PW
Shanaz Zaman	LB of Hounslow	SZ
Kasam Muham	LB of Ealing	KM
James Gleave	LB of Hillingdon	JG
Josephine Vos	TfL	JV
Cllr Julian Bell	Leader of Ealing	JB
Jon Cox	Campaign for Better Transport	JC
Judy Flight	West London Alliance	JF

1. Welcome and Introductions

The Chair welcomed everyone to the meeting.

2. Growth Options and Barriers to Housing Delivery

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

In response to the presentations one of the boroughs highlighted West London's commitment to growth and emphasised that they not only meet their London Plan targets for housing but exceed them by 25%. They also wanted to emphasise that in terms of

barriers to housing delivery – planners get a raw deal with the blame falling on them whilst there are a whole range of other barriers which are to blame. It was also stressed that the Government should stop ‘messing around’ with the planning system. The importance of the London Plan and the fact that it is now the only ‘regional’ kind in the country was highlighted. Prior to the London Plan it was an appalling situation in London.

It was also emphasized that the OLC should be commended for addressing the issues of future growth. It was stressed that the scenarios outlined in the presentation should not be seen as mutually exclusive and in fact the reality is that there would be a combination of a number of them.

It was suggested that London would not be able to meet its objectively assessed housing need and therefore the London Plan needed to look beyond London to maximise investment opportunities. This would entail a ‘coalition of the willing’.

There is also need for strategic direction for a Green belt review for both London and the wider South East, and a Commissioner suggested that Metropolitan Open Land should also be scrutinised if Green belt is reviewed. If tried to do locally – NIMBYISM will prevail and wider environmental assessment will not take place without a strategic approach.

Need to include regeneration benefits of transport infrastructure. i.e extensions of Crossrail 1. However the elephant in the room is density and tall buildings – the legality is if we don’t want to go up then we’ll have to go out.

The next review of the London Plan will need to revisit the density matrix.

One borough said it was very enthusiastic about growth. However, in some cases there have been real problems enabling development to happen. The GLA has been very effective in helping to reduce some of these barriers.

The current system of CPOs is also problematic. It is a very blunt tool which is slow and at the limit of many town planners’ skills. Need to have a simpler process. The Legal system was noted to be significantly slower than the planning system.

One of the Commissioners said that it was interesting that the western boroughs say they are exceeding their targets and asked whether each borough can continue to exceed their targets going forward.

One borough responded that they argued against the 49K target at the London Plan EiP as they thought the SHLAA methodology was flawed. The reason for this was that the 42K was based on actual capacity within the SHLAA and London Plan policy has always been to meet and exceed it. This is what the borough always tries to achieve. It was acknowledged that the London Plan is currently flawed but that it is better than no plan at all.

In terms of barriers, key ones are:

- Development finance

- Lack of capacity and skills in public sector –one borough only has 1 full time staff – the rest are paid through PPA.

Another borough said they were also exceeding their target in spite of strong political resistance – especially from the Conservatives.

There are some concerns with ‘bold’ targets –eg estate renewal – is often used to drive out lower income families and sell on plots for higher densities, particularly the buy to let market. Enormous strain on infrastructure.

Another borough said that they don’t necessarily meet their target. The SHLAA is a piece of evidence but there needs to be a greater understanding of context which is not just about housing – rather than a desktop exercise.

Need to understand context, particularly the local jobs market.

Relationship between housing and employment land is very complex - there are huge pressures on employment land. There needs to be an honest conversation about the retention of employment land. As the supply is restricted, the value of industrial land will rise.

One borough said that if we accept that the private sector will only ever bring forward a certain volume to manage the market/profits, then selling public land to them will not accelerate housing delivery. Another approach is needed.

There is an over emphasis in London about Central London for employment. Supporting those types of commuting patterns will further strength that pattern. There is a range of types of employment use (schools, hospitals, retail etc) that would be suitable to collocate with housing which will reduce the need to travel. There is a still the challenge of funding infrastructure.

It is recognised the outer London can become a much denser place but that there needs to much more investment in infrastructure. Also outer London is very much car dependant.

The Chair said that one view floating around the GLA is that by increasing the pipeline further will help translate the amount of approvals to completions needed.

Many boroughs did not agree with this. One borough stressed that they thought some developers were rationing the release of sites to keep the prices high.

Another issue was around land assembly. Development vehicles could be used as a tool to enable the public sector to buy land more easily. Estate renewal is also an option – looks at poor social housing – financed with some private sector to help fund. However a lot of finance / grants have dried up.

The number of land owners land banking was seen as an issue – they get permissions but use as if a speculative exercise – therefore can’t count this as realistic pipeline.

The legal process is clearly out of kilter from the planning system.

A question was asked of the boroughs whether they knew the amount of brownfield land in the public and private sector.

One borough responded saying yes they have a list of industrial sites as the vast bulk of land for them is in logistics - big shed premises with low densities. There needed to be an urgent review of the logistics sector and their needs – also need to review the approach to start ups / incubators. The current policy has failed.

One Commissioner stressed the importance of participants writing up the barriers. In the OLC's 3rd Report – there was mention of the “use it or lose it” approach – he wasn't sure what has happened to that.

The Chair reiterated the point saying – it's easy to say what is wrong but what is more useful is saying what the potential solutions may be.

One borough said that there needed to be a range of sources of supply. Needed to improve the number and capacity of the building sector. The same faces come to the table – same product / same market – doesn't offer choice.

Another borough said that they needed to grapple with the viability assessments more in order to fully achieve the opportunities for uplift. The public sector needs to buy de-designated sites and then they can capture the uplift. However finance was often a problem.

MOL was mentioned – if a strategic review is done then there may need to be some liberalisation of MOL policy. For example in terms of leisure facilities in MOL - would be able to reinvest to bring up to standards as often previous design of very inefficient. Also in terms of planning for schools – there are no suitable sites in the right locations – but there suitable sites in the MOL – inspector would have a conundrum as to which is therefore more important.

A recent decision in Hounslow of an Inspector allowing the granting of permission for a school site in MOL. Inspector's comments were that if the benefits were clear then it would be acceptable – however the evidence to unpin that decision was very expensive.

A borough said that local authorities needed to look at more innovative ways of managing land so that they can gain the uplift in value rather than landowners gaining all the value. At the same time there should be a limit as to how long the private sector can sit on an asset – so that it's not sitting there for 15 years wasted.

The discussion then moved on to investment in transport infrastructure. One borough highlighted the often significant time lag between it coming forward and housing development. In terms of redevelopment / decanting – need to be aware of the transport implications – many families are often rehoused outside the borough – if they have children

they often want to keep those children at the same schools – therefore pressure on the transport system, particularly the bus network. TfL often very slow to respond.

TfL responded saying that huge pressure from schools – usually in locations where only a bus can serve - bus networks operates very different from the tube. Funding is a huge issue - S106 is the basis for other types of development but not for schools.

One of the Commissioners then made a few comments rounding up their views about some the barriers mentioned indicating they recognised it was not just as easy as releasing land. The discussion had touched upon other problems with the house building industry – they'd received comments on removing or decreasing the borrow cap restraints. They indicated that they had also received comments on the SRQ matrix (density) and suggested that it should feature in the full review of the London Plan.

One of the boroughs suggested that local authorities could contribute more to delivery particularly if able to lift the HRA borrowing cap. If they are given more levers then they could build a lot more. However there are still problems around CPOs – politician have to be strategic - it is challenging to get members to take a strategic view and not get side tracked by NIMBYISM. – need to 'stick to guns'. The biggest political savings are where the controversial development is.

Another Commissioner reflected on the previous meeting and explained that there were comments made about developers coming back year after year to renegotiate the same sites – he asked whether that was also a view recognised here.

The response was yes – particularly around medium sites where getting an extra 5 units is worth it. However on more strategic sites – because of the huge obstacles getting the site to permission and the economies of scale in terms of the extra unit gains compared to the costs in interest payments, then less likely to come back for renegotiations. Although they may adjust the volume or make-up of units in terms of phasing of sites.

The Chair then said he wanted to pose 5 questions for the written submissions.

1 – who is the developer? Most majority house builders don't restrict the release units as they don't want capital tied up.

2 – Capital funds – more available today – interested in what are the barriers to a local authority accessing these new types of funds.

3 – viability - don't understand what the problem is – skills set / negotiation??

4 – brownfield land – what are the contamination costs to bring non developable land into developable land.

5 – Green belt review – what are views on limited boundary changes compared to structural review - corridors of development passing through green belt - turning belt into a series of parcels of land.

3. Regional Co-ordination

RL presented the OLC on regional co-ordination.

The Chair started by asking whether this was a good initiative.

The resounding response was clearly yes. The process has been painful so far and models such as SERPLAN and the RSS were not fit for purpose - needs to the coalition of the willing.

It is interesting particularly in the fact there is money on the table for infrastructure investment (including from TfL and Gov) for unlocking growth. Some are up for it and some are not.

Very bureaucratic – each of the sub regions need to be represented at any discussions.

There is also a role for London Councils and London politicians – in order to get buy in.

It was felt that the issues presented were generally right – however aviation policy should be also added in to the mix – although that might make it problematic.

The Chair highlighted that the minister made it clear that he didn't want a return to SERPLAN although there has to be concrete outcomes. It was felt by some that the RSS did have concrete outcomes.

The Duty to Co-operate was highlighted as being very valuable, particularly in the waste plans.

In terms of geography there should be a number of approaches- need to share data – understand commuting patterns – maybe create a spatial relationship through house process.

Clusters of Local Planning Authorities might want to work together – need to have value and goals. Concrete outcomes might not necessarily be in the form of a plan.

Within London there is a very good track record of running planning officers networks - particularly around sharing skills /knowledge – maybe this could be extended outside.

A common evidence base is important. This would require a degree of trust and strategic co-ordination to be able to rely on evidence for all.

It was pointed out that the existing plan making system falls down – there is a need to resolve the bigger strategic issues up from –(including specific bits of infrastructure). At the moment, the system is reliant on an Inspector report right at the end of the process – win or loss game – very costly and lengthy to set right.

Shouldn't re-invent the wheel – need to use existing structures. We don't need minister's consent to have an approach.

One participant said that when they talk to community groups outside London - these communities don't want to build dormitory housing – they want to build local economies and share in London's growth and prosperity. Need to look at ways to convince them about the economic benefits.

London's view sometimes comes across as patronising - it's much more about understanding how London and the wider region come together. However that takes time.

It was mentioned that Nick Boles highlighted the Manchester wider region - demonstrated the value of devolution where London had not.

It was pointed out that for Manchester and their wider region – there are a smaller number of authorities and therefore more politically homogeny therefore easier to manage.

There are parallels with places outside London as with places within London. Similar policy approaches. Large employment sites with many people commuting back into London. Challenge for outer London that land values are higher and therefore pressure is greatest for housing – leads to different types of employment uses.

The point about being a destination not merely a dormitory was reiterated.

The realities of employment in town centres are changing – the traditional view of retail /offices are now out of date. There is a need to talk to business and understand their needs/ requirements.

There is an issue of democratic deficiency – because the Mayor controls TfL - if TfL operates beyond the Greater London boundary this might create issues in terms of priorities. For example fast trains to Amersham were reduced, which impacted residents of Herefordshire. If we go beyond London then there is an issue of accountability.

The Chair asked whether it would be helpful to look at London as a series of sub regions.

One response was that it is important not to foment rivalry in London and in any case location in a sub-region doesn't make a difference to employment opportunities. There is a need to look at the nature of small businesses / tech companies. Different ways of working / home working and the role of outer London to provide for these types of opportunities.

Much of the nature of employment opportunities are similar in outer London – schools, hospitals, service sector – due to land values. However it was felt that this reliance on the public sector was not sustainable for the longer term.

A Commissioner then mentioned that in the latest set of data the proportion of people employed in 'traditional', full time, office based work had increased.

One of the participants said that is important to understand what levels to push in order to achieve west London's vision for growth. It is reassuring that in West London, we are thinking about the right kind of growth – particularly in terms of corridors.

A question was asked about when the last economic assessment had been undertaken. 2011.

There was then a debate about what should be driving economic growth. The issue of starter /incubators was raised. Many felt that the successful ones were organic rather than being part of a planned approach. The chair commented that it would be useful if people were able to provide something on this as part of their submissions.

One of the Commissioners made a request for boroughs to make a submission about how the concept of Outer London Strategic Development Centres had or had not been taken forward.

The Chair then asked about Heathrow and its impact / relationship to boroughs in the west of London. A Commissioner further developed this and asked whether Heathrow is one of those factors that provide a commonality between west London boroughs and those outside London.

One borough responded by saying that they can't rule out Boris's continued opposition to Heathrow. They've changed their position in terms of jobs verses environmental issues. If Boris becomes the leader of the Conservatives, there would be a threat to Heathrow. Heathrow have also upped their offer to residents (in terms of jobs). They had commissioned a study with neighbouring boroughs (including outside London) to model the economic impacts of Heathrow – 30% of airport related employment would go to lower income families.

Another borough said that Heathrow didn't play as big a role in terms of a factor of growth – in fact the M1 was much more important. Also it is equal travel time between Heathrow and Stanstead.

Another borough had a different opinion in that Heathrow was much more important. If the Government is not minded to grant the 3rd runway, Heathrow would decline very badly. Also many of the maintenance / high skilled jobs will go. Growth of Heathrow is fundamental not just to west London but the whole of Western England. Gatwick just doesn't have the infrastructure. Also Heathrow is a hub and Crossrail further strengthens its case.

The Chair closed the discussion.

4. Date of next meeting

RR confirmed the date of the next sub regional meeting was on 22nd July in Croydon.

RR then 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.