

London Borough of Barnet Response to the Outer London Commission Round 4 2015-16

Towards a Review of the London Plan

OPTIONS FOR GROWTH - ISSUE 1

G1 How important is it to maintain a balance between housing and employment in a growing post-industrial city? What do you think the right balance is?

It is important. In getting the balance right we need as good an understanding of the employment market as we do of the housing market. We need to scrutinise forecasts of jobs growth as much as we investigate the components of demographic growth.

With uncertainty around population and employment projections it is difficult to determine a right balance. A focus on dynamics rather than numbers may have made a more tangible contribution to the Strategic Housing Market Assessment providing a more strategic direction on the types of housing and the broad locations that are attractive to specific sections of the labour market.

As the Commission's background paper highlights it is not yet clear what impact economic recovery and any post 2017 UK exit from the European Union will have on future migration patterns.

We note that long term jobs growth in London and the UK has only been accompanied by moderate rises in output. We agree with the Commission that understanding the underlying causes and potential longevity of this near standstill in productivity growth is critical to accurately projecting future levels of jobs. Although there is no consensus on the causes we would welcome further discussion about what the productivity puzzle actually means for London and how the London Plan should address this.

We ask if Londoners are becoming more productive there must be a consequent effect on employment numbers, ie the level of increase diminishes. Or does it actually mean that because Londoners are more productive we attract more inward investment and further jobs growth ?

G2 If London continues to expand the housing pipeline/ allocations, will that distort the balance between housing and employment? What significant effects might that have within different parts of outer London?

We consider that there is already a distortion as reflected by increased and more complex patterns of commuting within London and the South East. This distortion is largely shaped by radial transport infrastructure.

Connectivity with West London is an issue for us. Key journeys such as Barnet to Heathrow Airport take at least twice as long on public transport

as by private vehicle, because of the need to travel via Central London. Our response to the Mayor's 2050 Plan There are opportunities to provide a connection to HS2 as well as Heathrow and the wider rail network through a new rail service from Mill Hill Broadway (and the new station to be created through the Brent Cross regeneration) along the Dudding Hill Line to the emerging growth area at Old Oak Common.

In our response to the Mayor's 2050 Plan we highlighted the need for investment in orbital infrastructure particularly along the North Circular Road (A406). We also called for a fundamental review of junctions on the A406 and highlighted the potential for tunnelling or decking the North Circular Road in order to release new housing land particularly between New Southgate and Brent Cross.

We want our residents to access job opportunities arising in our neighbouring sub-regions. Without investment in orbital transport infrastructure they are likely to miss out.

G3 What type of workspace/ employment land will be required in the future relative to trends in the existing stock? Does this require a policy approach which extends beyond London?

Levels of self-employment and entrepreneurship in Barnet are high. Therefore increased opportunities for home-working and improved access to local business support services are likely to reduce the need for long commuting journeys.

In terms of identifying future requirements we consider there is a need to improve our understanding of the relationship between where we live, where we work, how many hours we work and how do we commute.

The London Plan needs to be flexible to ensure that the spatial strategy is best fitted to London's changing requirements, including consideration of the capacity of logistics uses to serve London from outside its boundaries. Rapid delivery and hub and spoke operations increasingly suggest larger logistics hubs outside London and smaller facilities within.

In order for modern methods of construction to make an impact on housing delivery there needs to be sufficient space around Outer London for storage and assembly.

Barnet has a very local office market. An analysis of take-up shows most demand coming from small businesses including tenants such as small insurance companies, solicitors, building firms and publishers. We estimate that we have lost 10 per cent of the office stock in Barnet since 2013 as a consequence of the relaxation of the Use Classes Order. Anecdotal evidence is that Barnet's small businesses have suffered most from the narrowing of office space. Further analysis is required to understand how the dynamic of the local office market has changed. Anecdotal evidence also suggests that more small businesses are operating from their own homes. We are already seeing in Barnet a rising trend of garden sheds being used for operating small businesses and

creative activities. This trend may not be a bad thing, demonstrating how certain modern business activities can happily so-exist with suburban residential communities.

G4 In the context of meeting London's growth, what contribution should the following mechanisms make to helping to meet the challenge of delivering increased levels of housing?

- **Increasing outer London densities, particularly through suburban renewal**
- **More housing at higher densities in town centres and Opportunity Areas/ Intensification Areas with good public transport**
- **Greater cumulative contribution of small scale sites, such as infill**
- **Selective release of London's greenbelt around public transport nodes for housing (or consolidation of employment)**
- **Densification of built up areas beyond London (new towns; garden cities, suburban extensions)**

For each, where might there be particular opportunities, how could this be supported and what / where are the specific challenges and constraints (eg what impact might this have on character and context; land values; balance between housing and employment; access to particular types / lower cost employment space, infrastructure requirement, etc).

- **Increasing outer London densities, particularly through suburban renewal**

We are supportive of increasing suburban housing densities and identifying innovative ways of raising them. However we are concerned that a simple policy position will just focus growth on those areas ie town centres currently with good public transport access without addressing the opportunities that could arise through transport investment in low PTAL areas.

We agree with the Commission that low density housing within Outer London is often characterised by under-occupancy. In identifying the cold spots of under-occupancy it may be useful as part of the next London SHMA to develop a 'zoopla' style map (i.e. they show hot and coldspots with regard to house prices) of occupancy levels in London. This could help identify any areas with long term associations with under-occupancy.

Through innovative design of new suburban houses there is potential for doubling the densities of semi-detached housing whilst maintaining the character of suburban areas. In terms of supporting employment there is opportunity for ensuring plans for new homes include mixed uses or those with integrated e-equipped workspaces that can be flexibly shared and

used by the new communities. We consider that if this approach is to form part of a strategic housing delivery policy for London then it would be worth considering guidance that sets out model typologies and best practice examples to guide development.

Finally we do need to understand what is meant by 'renewal'. We don't want to repeat the mistakes of the past where crude policy changes resulted in what was known as "town cramming" where inappropriate developments, such as large flatted blocks, were squeezed into sites destroying the character of the area, but how could the existing housing stock better contribute towards meeting housing need and what are the ownership and occupancy changes that have taken place across the classic areas of interwar suburban development.

➤ **More housing at higher densities in town centres and Opportunity Areas/ Intensification Areas with good public transport**

We are generally supportive of increasing housing densities in district and major town centres and have a plan led proactive approach to the conversion of vacant offices to residential led mixed use development.

We consider that Barnet has already worked to increase densities in existing Opportunity and Intensification Areas within Barnet. The Mayor should be doing more to identify new Opportunity and Intensification Areas in the next London Plan particularly in those Boroughs with low housing targets.

The Commission should also note that all these Areas have demands on infrastructure investment for transport across London.

➤ **Greater cumulative contribution of small scale sites, such as infill**

There is an obvious linkage between small sites and small builders. We support improving the market for small builders through business support assistance and the development of new local networks of building tradespeople who can also together support training and development of apprentices.

➤ **Selective release of London's greenbelt around public transport nodes for housing (or consolidation of employment)**

This is a national issue. The Green Belt is the Marmite of planning policy: defended and decried in equal measure. There is a need to revisit this policy area at a national level in the light of London's housing crisis.

Selective release should only arise after all reasonable and acceptable efforts have been taken to maximise the amount of development within London. Optimising densities and ensuring that all land is appropriately used must be the first response to growth. It should also only arise after other options, such as the growth being accommodated in other areas in

ways that do not result in unsustainable patterns of growth, have been fully explored.

We do not underestimate the difficulties of a Green Belt review, but if it is necessary to carry one out we need to ensure it is done properly.

A strategic lead from the Mayor on this complex policy approach (which has remained largely unchanged for decades) would be welcome. The Mayor's identification of these public transport nodes in London's Green Belt may help advance the debate.

➤ **Densification of built up areas beyond London (new towns; garden cities, suburban extensions)**

In the absence of regional planning local solutions for meeting London's growth outside the city through coalitions of the willing are not really going to effectively resolve this. Whilst we support such coalitions in resolving to address these issues we again consider that a national approach is required.

G6 Would it be worth considering growth 'corridors' (eg as with LSCC and linked to existing / potential public transport) in terms of enabling an integrated housing / employment / cross-boundary strategy...and if so, which corridors could be a focus (eg associated with CR2, HS1, HS2, CR1 extensions, C2C improvement, Gatwick)?

There is an opportunity to identify new Growth Corridors associated with the delivery of new infrastructure such as CrossRail 2 which is expected to open in 2030.

We consider there is an opportunity to link radial growth corridors such as London Luton Bedford with London Stanstead Cambridge through an orbital growth corridor around the North Circular Road.

Critical to opening up these corridors of land is to rethink the way land is used for road purposes. Putting roads in tunnels could open-up new public transport, green and housing corridors with obvious benefits for health and local quality of life.

G7 How can we maximise the benefits of growth regionally, sub-regionally and locally; and mitigate concerns? (eg provision of supporting social and community infrastructure; greater focus on place-making; re-provision in the new development of social housing)

One suggestion is that the delivery of borough social and community infrastructure plans could be reported and assessed through the Authorities Monitoring Reports.

Additionally a London-wide body to help open up access to schools, support the development of local groups, as well as the operation and management of community buildings could support the delivery of these facilities in 'growth' areas where there may not be existing communities in place to provide leadership.

This would provide a parallel structure to that in place for overseeing the provision of social housing (which is there to address market failures in the arrangement and provision of housing).

G8 Does the London Plan density matrix need to be reviewed (eg PTAL splits, characterisation, the ranges themselves), or is it better to keep it as a benchmark and use it to bargain for higher quality / more social infrastructure / more affordable housing?

We recognise that the existing matrix provides flexibility for optimising housing densities and that for around 60% of schemes approved are above the relevant range. The densities in the matrix can only ever be the starting point for what is right for an individual site and the need for high quality design to optimise the densities that are delivered should be clearly stated. Revision of the matrix needs to be linked to a significant review of London Plan policies affecting housing delivery.

G9 Have you any suggestions for new Opportunity or Intensification Areas; or medium sized town centres suitable for higher density, housing led renewal/redevelopment

With the expected arrival of CrossRail 2 at New Southgate by 2030 we consider there is potential for a new Opportunity Area which includes parts of Barnet, Enfield and Haringey. Discussions between the boroughs and TfL are at an early stage.

Opportunity Areas are the capital's major reservoir of brownfield land. Map 2.4 of the London Plan shows an uneven distribution of the 45 Opportunity and Intensification Areas. Some Outer London boroughs have no Opportunity or Intensification Area within their boundaries. If London is going to 'consume it's own smoke' in delivering the homes all London boroughs need to step up to the plate. We would welcome some statement in the London Plan in terms of how the Mayor is working with boroughs to identify the next generation of Opportunity and Intensification Areas.

REMOVING BARRIERS TO HOUSING DELIVERY – ISSUE 3

H1 What are the particular barriers holding back delivery of new housing in this sub region?

A key challenge for Barnet is the way many of the largest sites are owned by single developers who deliver at a slower pace in order to secure long term added-value / profit from the sites they own. The major challenge is therefore the need for these larger sites to be brought forwards instead by strategic developers who coordinate the overall picture including

infrastructure and who sell off deliverable plots at a range of scales to appeal to a much greater mix of smaller and larger house-builders.

H2 What is constraining the private sector from translating London's pipeline of approved homes into completions, for example:

- **developer sales practices and private sector concerns about market absorption;**
- **the scale of land banking and the number of approved sites owned by firms that do not actually build houses;**
- **the range and size of housebuilding firms in London and the level of competition within the development sector; and**
- **private sector capacity and skills shortages.**

All these problems are well embedded in housing delivery in Barnet and in London as a whole. We consider that no progress is being made on addressing these constraints.

The housing needs of London are such that we have to ensure that all potential opportunities are mobilised and optimised. There are sites throughout London that could be developed but are not coming forward. These are usually held by landowners and land speculators, rather than housing developers. The "use or lose it" debate sought to explore solutions to this problem. LPAs are able to intervene in such circumstances with CPO powers but with the current CPO tests promoters are unlikely to succeed in these circumstances. The tests should be changed to facilitate this approach in appropriate circumstances.

Anecdotal evidence from developers is that a major constraint on the future delivery of housing will be the availability of a skilled construction workforce and the access to materials.

H3 What potential is there in Outer London for:

- **purpose built long-term, private rented sector housing (PRS)?**
- **specialist housing for students and older Londoners?**
- **housing intensification through estate regeneration schemes?**
- **the delivery of higher density development in town centres, taking into account land ownership constraints and the surrounding suburban context?**

These approaches are all possible in Outer London in helping to generate additional housing and widen choice. However, the question is how much more supply these measures can realistically deliver when they have already in large part been built into the assumptions of the most recent London SHLAA.

PRS is still relatively new so it is early doors on it's potential. We question if it is realistic to expect it to deliver as much as it has in the rest of Europe without also emulating the rent and tenancy protections that are also such a large part of these systems. More encouragement should be given to this sector of the housing market to maximize its potential contribution, not least because as a sector it is less inclined to restrict output in the way that house builders do in order to maintain their product prices and sales rates.

There are also questions about the capacity of specialist housing providers. The long term expectations for student housing are subject to changes in immigration policy and our membership of the European Union.

Overall, these models appear to be necessary but longer-term components of housing delivery in London.

H4 What are there practical measures boroughs can take to boost supply, for example:

- **providing a more certain and speedy development management process for large developments prior to and following outline planning consent (eg s106 negotiations, use of conditions and condition discharge);**
- **greater use of CPO powers; wider application of the Housing Zones model to address particular local delivery challenges, working closely with the private sector and other stakeholders;**
- **widening the pool of identified and allocated large sites in Local Plans; providing a more positive and certain policy and development management framework for small scale/infill development in order to support small and medium sized house builders;**
- **requiring large sites to be parcelled up and split between a number of different developers in order to address slow build out rates and potential land banking; and conditioning minimum levels of housing output on large sites over a fixed short to medium term horizon.**
- **exploring the potential scope for 'use it or lose it' powers.**

Barnet already delivers a very strong, pro-development process and is responsive to the deliverability and viability of development proposals.

Through continued participation in the One Public Estate Programme Barnet can create a real exemplar for cross sector and partnership working. As a Phase Three applicant there is potential to deliver new homes on a greater scale and at a faster pace. We are also working with

the London Land Commission to identify priority areas for growth and to co-ordinate efforts to fast-track such growth.

Whilst the use of CPO has its place in land assembly for larger regeneration sites, they are slow and have a high degree of uncertainty. As outlined above, a review and revision of the CPO tests could widen their utility in unlocking sites. Encouragement from the Mayor of London may help provide more political cover in this regard.

We recognise the risks to delivery of being too dependent on large sites. Barnet will explore the potential for small scale infill as part of its emerging Site Allocations document

Requiring large sites to be parcelled up and split between a number of different developers could be a practical measure as developer proposals at the planning application stage always over-egg their intentions around the pace of delivery.

There are related possibilities for use it or lose it powers (see earlier comments) and streamlined legal agreements but the legal and financial aspects of the planning system continually increase in complexity and there are substantial skills shortages in these fields both in terms of officer training and dedicated posts.

There seems little capacity for Barnet to identify new sites without new transport investment to drive increased density and viability, most opportunities are already factored into existing plans.

H5 What potential role could local authorities play in building houses, especially on surplus public sector owned land? What are the financial and regulatory obstacles that need to be overcome to enable local authorities to contribute more directly to house building in London?

With the established need for more housing especially affordable housing the Council has realised it needs to review its principles for decisions about surplus Council land and its development. The following principles have been agreed to govern Barnet's "development pipeline":

- *The decision whether to develop or sell a site, and what to develop on the site, should be based on assessment of what offers the best financial return to the Council while meeting need for different housing types. This might, for example, involve development of affordable or extra care housing, which offsets the costs of temporary accommodation or residential care respectively.*
- *While decisions will consider the net present value of different options, the requirements of the Medium Term Financial Strategy may in some cases suggest that revenue savings are afforded a higher priority than capital receipts.*

The Council is considering the option of establishing a delivery vehicle for the development of surplus council land, working in partnership with Re (which is a joint venture between Capita plc and London Borough of Barnet) and Barnet Homes.

H6 Is there an issue about skills and capacity within local authorities in delivering planning consents for large scale developments?

Recruiting skilled and experienced planners to manage large scale development within London remains a concern for the Council.

H7 What role could modern methods of construction play in boosting private sector build out rates?

We consider that little has really changed in the world of residential house building in the last 50 years. Given that the planning system is delivering 50,000 new homes through approvals in London and only 27,000 new homes are being built it is disappointing that major housebuilders have not been sufficiently challenged by the Government and the Mayor to 'up their game'.

At present in Barnet there is one residential development which is employing modular construction methods. We consider that modular and other forms of innovative construction require further investigation, particularly in terms of their space requirements for construction.