



**Response to the Outer London Commission  
on behalf of the London Borough of Ealing  
to inform a full review of the London Plan**

**September 11th 2015**

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# **Response to OLC Background Paper**

## **Issue 1 – Options for Growth**

**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?**

Maintaining housing and employment balance is as much a function of delivering increased density as it is urban design or strategic planning.

The increasing split between inner and outer London dividing employment and residential units should be seen as unsustainable in the long term, necessitating longer commutes and taking more spending power away from major and metropolitan centres.

Higher average densities for development will be achievable where development is spread more evenly across London including employment and retail as well as housing.

**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?**

**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?**

As a borough with very substantial housing and industrial land stocks it seems to Ealing that these two policy areas have been allowed to develop at very different rates with employment policy falling far behind housing.

While housing policy controls the type and density of residential uses and specifically requires that they achieve optimal densities no such requirements exist for industrial uses. The vast bulk of London's demand for industrial land is projected to be for logistics space which will take up almost all of the slack from the continuing decline in employment rich industrial uses and this is likely to exacerbate the employment imbalance between inner and outer London.

Employment policy is usually a portmanteau for at least three distinct functions; essential service uses (such as waste), logistics functions, and finally and normally least considered jobs.

Waste and similar strategic functions have enjoyed a strategic lead in policy terms to protect and allocate sites, but it remains to be seen whether identified sites succeed in capturing contracts with the private businesses that undertake these services.

Similarly, the vast bulk of emerging land requirements in London are for logistics sectors such as home delivery, so far these uses have continued to be accommodated in big shed premises that are land hungry and low in employment density. London needs to fully review emerging logistics needs and ensure that land use strategy is best fitted to its

changing requirements, including consideration of the capacity of these uses to serve London from outside its boundaries. Rapid delivery and hub and spoke operations increasingly suggest larger logistics hubs outside London and more and smaller facilities within.

Finally, the problem with employment policies that seek to provide affordable space by protecting existing land supply is that they do little to encourage development and efficient use of land. Shared space and incubator units that would deliver high employment densities are also in great demand among start-ups and growth sectors.

Delivery of employment and housing space is increasingly a matter of realising a high quality and flexible built environment that people want to live and work in. In London this should mean concentrating as far as possible on the development of employment uses that are compatible with an urban environment.

**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? 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**

Suburban renewal offers substantial opportunity for increased housing delivery and environmental improvement so long as it aims to generate mixed and walkable neighbourhoods, not just residential monocultures which have lost their current benefits of green space. Smaller scale terraces tend to subdivide less well than three and four storey blocks, damaging streetscape and sterilising what were previously private front and rear gardens, and there is reason to think that this could also apply to converted semis. 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 to guide development.

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

Not clear what more means in this context, if it is in addition to existing targets for OAs etc. then it is likely to prove difficult to realise. Many OAPFs are now delivering above their initial London Plan target but this is based on detailed work. There seems little benefit in raising OA and IA targets pre-emptively.

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

If small scale infill is to be addressed then it would need to be as part of a reconsideration of the density matrix. It's difficult to see what other policy levers are available here.

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

Clarity in the debate on green belt has been illusive largely because discussion focusses on environmental quality factors that are not taken into account in current policy. If any progress is to be made then release needs to be led by a full structural and strategic review of green belt policy to include environmental quality and recreation factors, with any boundary review following from this new methodology. Chipping away at the green belt without a fundamental review of its purposes will only erode the usefulness of the policy and popular willingness to accommodate new development.

Green belt review in outer London should have little negative impact where it is policy led; however, achieving efficient use of space pose particular transport problems at what is currently the edge of the network. Mixed town centre typologies are the most efficient form for development and the delivery of essential services and any release should be focused on locations that can support this urban form.

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

None of the development types mentioned seem to be densification measures but rather extensification strategies designed to increase the amount of available development land. These can of course make a useful contribution toward meeting the real development needs of the South East but are unlikely to help with London's immediate problems due to the long planning periods required for this type of development. It's not clear what distinction is being drawn between new towns and garden cities, but capacity for wholly new settlements will necessarily be driven by national planning processes around the provision of new infrastructure.

It is therefore likely that mixed urban extensions to existing settlements will be the quickest and most expedient to deliver.

Towns and smaller settlements beyond London normally have limited existing capacity for densification and the real opportunity is likely to be in delivering mixed new centres within or at the edge of their current built areas. There is little to be gained in large new extensions built at suburban densities and served by cars, and these will in any case struggle to serve London's labour market.

However, there may be potential in these areas for more retiree and sheltered housing to free up large family units.

### **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)?**

Transport dominates any evaluation of development capacity in outer London and Ealing is a good example of this with a corridor-based strategy as the cornerstone of our Local Plan and delivery of current London Plan targets highly dependent on Crossrail 1.

There is enormous potential for infrastructure to lead development in outer London but this would require a new approach to planning and evaluating transport infrastructure to include regeneration benefits. Regeneration schemes based on improved transport, such as most OAs, normally have substantial financing and site assembly problems which current mechanisms do not adequately address.

Given that the main problem in achieving London Plan targets comes from delivery not planning there seems to be an opportunity for public development vehicles that more closely match former New Town Corporations in overcoming development obstacles on major sites.

The cost of financing is a huge component of development expenses and drives the off-plan sales of properties and one that favours those with ready cash rather than owner-occupier households dependent on mortgages. Where projects are secured against land and assets there is a good opportunity for the public sector to take over this bridging function, reducing the absolute cost of financing and driving development values toward housing and infrastructure delivery.

The OPDC is understood to be exploring models of this kind such as tax increment funding, but is still a long way in both form and conception from a comprehensive delivery vehicle for strategic development.

**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)**

The best method of realising the benefits of development and delivering supporting infrastructure would be through mixed, walkable neighbourhoods of the sort envisaged in the London Plan policies on Lifetime Neighbourhoods. While new development of this type is more common in central London, the larger sites available in outer London seem to have encouraged a more disjointed form with retail and employment increasingly concentrated in monofunctional areas like Westfield and Chiswick Park. This is actually contrary to the built form of much of the London suburbs which are now losing local employment and retail that has previously defined their character.

Demand for new housing does offer an opportunity to realise development in areas where retail and employment demand has diminished, as is recognised in the FALP approach to town centre intensification.

**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?**

Yes. But given that density ranges are already routinely exceeded there seems little basis to review them unless there are also substantial changes in policies on housing design. As suggested they are useful at their current levels in the increasingly complex s106/viability negotiations.

The approach reported from Berlin of exceeding density only for affordable units is interesting and it would be useful to understand further how this is implemented?

**G9 Have you any suggestions for new Opportunity/Intensification Areas; or medium sized town centres**

We already have two OAs in Park Royal and Southall. Both areas have recently been subject of new comprehensive development frameworks and the coordination of effort and pooling of resources between public sector agencies and others has resulted in a massive uplift in housing supply targets for these areas. No other new OAs/IAs are proposed in LB Ealing although it should be noted that there is considerable activity in the Ealing Metropolitan Town Centre, Acton's district centre and around key public transport nodes such as Acton Main Line Station. The proactive stance of the local authority means that actual housing supply is therefore likely to exceed targets as a result.

# **Response to OLC Background Paper**

## **Issue 2 – New approaches/issues for regional co-ordination**

### **QUESTIONS ON THE FUNCTION OF NEW CO-ORDINATING ARRANGEMENTS**

**R1 Should London and the wider south east be viewed as one area for managing growth? What are the planning implications of this for housing and jobs growth and strategic infrastructure provision?**

Yes, in part. The interdependence between London and the SE is well understood and the designation of housing market areas is largely an artificial construct. For the purposes of a regional spatial strategy for London it makes sense to include the whole area within the GLA boundary as one functional housing market area but in reality London's impact stretches well beyond this administrative boundary. It is self-evident, contrary to the claims made by the Mayor of London that the capital cannot meet all of its objectively assessed housing needs and any further delay in recognition of this fact is only going to increase the back-log of London's acute housing need and add to its affordability crisis.

The precise form and structure of any wider planning arrangements is clearly going to be contested with government implacably opposed to any reinvention of regional planning. However, the need for some mechanism to consider the impact of London on the wider regional economy remains long overdue.

The Mayor of London is to be commended for efforts to establish new machinery to examine how these issues can be taken forward and the Regional Summit is an attempt to reach a common understanding of the problems and issues as well charting a way forward.

Progress has been painstakingly slow but initial signs often encouragement and it should be remembered that a similar debate is happening in many other English conurbations notably the West midlands and Greater Manchester. The former has been able to progress joint evidence base work in particular around demography and housing needs. The latter are committed to producing a joint high level regional strategy.

**R2 Which strategic policy issues affecting this part of London would benefit from being considered through some co-ordination of planning with authorities across the wider south east as a whole, or with representative of adjoining sub -regions?**

Demography, housing, jobs and infrastructure (in particular transport and green infrastructure).

**R3 Should new co-ordinating arrangements only consider pan-regional or also cross-boundary issues? At what level does an issue go from being cross boundary to pan-regional?**

Too early to say. It will depend on the scope of any future plan or strategy.



**R4 How could useful co-operative relationships be built (over time) across the border, going beyond the statutory requirements under which the Mayor and LPAs work? How can any value be added to this process?**

**R5 How could new co-ordination arrangements usefully promote and enable the development of a common evidence base, and a shared understanding of how local and sub-regional economies, housing markets and labour markets interact and to what extent could it do this effectively?**

A good starting point would be the production of a joint and shared evidence base e.g. on demography, housing need, housing supply, a review of green belt and production of infrastructure delivery schedules. This would provide more joined up evidence and provide a strategic context for more locally determined policy formulations.

**R6 How could new co-ordination arrangements facilitate the identification of different views among its members? And how might these different views be accommodated?**

In the absence of any structures that are legislated for we must accept that any plan can only be effective if it has buy-in from the parties that sign up to it which means there must be some way of incentivising active involvement and participation. There clearly exists the potential for consensus around the “growth corridors” model in tandem with a more joined up and coordinated response to regional infrastructure. Any plan or strategy must therefore be a “coalition of the willing” and be focused on delivering certain specified outcomes rather than just being aspirational in design.

## **QUESTIONS ON THE FORM OF NEW CO-ORDINATING ARRANGEMENTS**

**R7 Which geographical area should new co-ordination arrangements cover? Should it vary depending on the issue?**

Too early to say. It will depend on the scope of any future plan or strategy. Some flexibility is probably desirable in any future arrangements.

**R8 Who could constitute the membership? How many local authority representatives, how many LEP representatives and others should be directly involved?**

**R9 What should be the format of new co-ordination arrangements, and how many layers should it have? For example, should it include a regional plenary for all members and/or sub-committees for specific issues/ areas? Plus a political leadership group and officer servicing group?**

**R10 How should new co-ordination arrangements be managed and by whom, and how should the required resources be shared? and how should it engage with its constituents/ the public?**

**R11 How should new co-ordination arrangements relate to and work with structures and bodies within London?**

These are questions perhaps for others to ponder. As the only London boroughs representative currently on the officers’ working group it seems reasonable to ask for and expect perhaps a greater level of representation for London. There should also be an

equitable involvement of London politicians in any future structure and this is perhaps best resolved through London Councils? In terms of any detailed working arrangements it will depend on the scope of any future plan or strategy.

**R12 Should an evolutionary or incremental approach be taken to the development of new co-ordination arrangement, capable of adapting to changing circumstances – or should it be firmly fixed from the outset?**

Definitely evolutionary as it is very likely that circumstances will change. It is hoped and anticipated that once a common evidence base is established this will help galvanise the need for action in certain defined policy areas.

# **Response to OLC Background Paper**

## **Issue 3 – Barriers to housing delivery**

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

The main barriers to housing delivery in West London remain transport and finance. London's capacity to muddle through remains one of its defining features, but Ealing's experience with Crossrail and HS2 has strikingly demonstrated that transport leads finance and developer interest. If the basic theory behind FALP of increasing density and facilitating delivery through a focus on OAs and town centres is sound then further increases in housing delivery will require new transport nodes and improved land assembly.

### **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.**

It is fairly clear that all of these problems are well embedded in housing delivery in Ealing and in London as a whole, and that most of them are fundamental to the current structure of the sector. There is very little evidence to suggest that these are not simply normal components of a private housing market structured and funded as is currently the case, or, the dip caused by the credit crunch notwithstanding, that the sector is now delivering significantly below its capacity. It is striking that (as discussed on p8) the last time private house building in London substantially exceeded current levels was during a period of great availability of land and substantial and coordinated public transport investment in the form of the New Works Programme.

### **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?**

Ealing is proof that these approaches are all possible in Outer London, and that they can help to generate additional housing. 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 a relatively new product in the UK, at least in the form of large, build and operate institutional investors, and in consequence it can attract genuinely new finance to the housing sector.

Similarly, specialist housing can help to address some of the growing inefficiencies in the distribution of housing by better fitting people to premises, but is it unclear whether there are enough providers housing for older people, particularly on a rental model, and sufficient capacity in the student housing sector which has suffered bankruptcies and instability in recent months.

It is also doubtful that PRS products will even begin to provide the stabilising ballast to London's housing market that they do in much of the rest of Europe without also emulating the rent and tenancy protections that are also such a large part of these systems. 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.**

CPOs are currently a very poor tool for increasing the volume and speed of housing delivery, being slow, expensive and on the boundaries of LPA skills (see H5 for further discussion).

There are related possibilities for use it or lose it powers 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 (also see H7).

There seems little capacity for Ealing 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?**

The obvious complementary role for the public sector in London is in areas of market failure. In Ealing there have been very clear examples of large and strategically important sites that are difficult to deliver with current tools.

Recent site assembly processes at Ealing Cinema and a similar effort now beginning at Southall Gateway have highlighted a CPO process that is wholly unfit for purpose and fraught with risk for LPAs. The legalistic nature of CPOs makes them a poor and costly tool for delivering plans and one for which planning departments are poorly trained and resourced. The great urgency around housing delivery, which has emerged in the planning system over the past decade, seems wholly absent from the legal process.

Similarly, three years of joint work at Old Oak and Park Royal show that London's current instrument for site assembly in the form of the MDC is insufficient when it does not attract public monies of the sort spent on the Olympics, and that MDCs will not stretch to delivering smaller sites.

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

There are certainly resourcing problems stemming from the inability of LPAs to charge the full cost of delivering planning services, and inevitable lags in expanding capacity to meet the peaks in development activity. Overall, skills are probably less of a problem than capacity except in emerging areas such as viability.

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

MMC are gradually making welcome inroads in housing delivery in London and it is acknowledged both that there is further capacity for growth based upon comparison with European neighbours, and that the Housing SPG has encouraged developers to evolve their own standards-compliant housing 'modules' which they then plug together in designing schemes. The greatest potential for MMC to speed development, other than by generally driving down costs and improving viability, is on large schemes where they could speed up the delivery of individual phases and reduce the disruption of construction on completed units.

MMC also make a logical companion to "use it or lose it" powers by reducing construction risks. In theory this combination could also allow limits to the perverse incentive for developers to delay completion and enjoy the fruits of a rising housing market, and concerns over market absorption. However, the increasing use of review mechanisms means that LPAs also have a vested interest in realising some of this additional uplift, and the viability assessments needed are likely to be even more complicated than is already the case.

## **Response to OLC Consultation Additional Questions**

**At the OLC consultation meeting held in West London on July 8<sup>th</sup> 2015, the Chair of the OLC raised a number of additional questions which I hope have been successfully paraphrased here.**

### **A1 Who is the “developer”?**

In terms of numbers of new units delivered, the developer is overwhelmingly a large national or international commercial organisation. Housing delivery in the UK is hugely lacking in a diversity of providers.

Whilst the public sector is making renewed steps to re-enter the market e.g. through Ealing’s own “Broadway Living” though important and symbolic the net contribution in terms of overall housing supply is and is likely to remain modest.

### **A2 Given councils have more access to capital funds than ever before what are the main barriers to accessing new sources of capital funding?**

The main problems in raising capital funding are the uses to which these funds would be put. The main obstacles to development which LPAs have to overcome are site assembly and transport accessibility neither of which is very usefully addressed by an increased borrowing capacity for LPAs.

Site assembly is mainly a legal and procedural problem (e.g. the complexities, costs and risks of CPO) and transport infrastructure generally will not pay for itself through ticket sales.

### **A3 Viability – what is the problem?**

Viability, as it stands, is a busted model.

The problem with viability is two-fold, first the technical problems of applying a policy of this complexity where there is relatively little public sector expertise, and secondly it does not generally work in assessing the real development value of the site. Viability is a concept that seems commonsensical but which is almost endlessly mired in methodological dispute, changing guidance, and market uncertainty.

LPAs are slowly developing capacity in this area and ironing out the inconsistencies in national and professional guidance but in practice viability is largely a tool to overcomplicate the planning process and one which places commercial experts at an advantage to public authorities.

**A4 On brownfield land should we champion some form of “derelict land grant?”**

Generic policy instruments applying to brownfield land are unlikely to produce much benefit particularly in London where virtually all development is already on brownfield land. If the maximum development benefit is to be achieved, then funds should be focused on transport and land assembly costs which are currently the major constraints on housing delivery.

**A5 On green belt review, do we favour a full structural review or are we happy with “nibbling”?**

Ealing would favour a full structural review. ‘Nibbling’ is the worst possible approach for green belt land in London and the wider SE as it undermines LPAs capacity to manage applications and does nothing to address the increasing criticisms of the designation.

Green belt policy is currently structured primarily to control the built structures of settlements rather than protecting green space for its inherent environmental and recreational value and this is a legitimate flaw in the policy.

Allowing loss of green belt for reasons of expediency and on a site by site basis will turn the designation into something closer to a reserve of development land rather than an overarching structure for the sustainable development of settlements.

LPAs cannot possibly conduct reviews in isolation as there is no agreed and common methodology that would take account of environmental quality and recreational factors and there will be an inherent fear that those LPAs who attempt to do so might come under further pressure from developers.

A full structural and strategic review on new parameters is long overdue and further delay can only accelerate and intensify pressures on green belt and could even result in “blue chip” green belt being released prematurely.

**Steve Barton and Samuel Cuthbert,  
Ealing Council,  
September 8<sup>th</sup> 2015**