

Outer London Commission – Response to Questions

London First is a business membership organisation with the mission to make London the best city in the world in which to do business. We represent the capital's leading employers in key sectors such as financial and business services, property, transport, ICT, creative industries, hospitality and retail.

We welcome the opportunity to respond to this consultation on the Outer London Commission's latest background papers and questions to inform the full review of the London Plan. Our response focuses on providing a response to the Questions on Briefing Paper 1 – Growth Options.

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?

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?

There is an ongoing conflict between competing interests for residential and employment uses that needs to be carefully managed through the planning process. In response to question G2, the expansion of the housing allocations / pipeline in itself should not distort the balance between housing and employment in London provided that an evidence based approach to planning for future need and demand is taken. As part of this, the GLA and boroughs need to manage top down policy changes on the release of employment land for residential use which often fail to take account of London's economic importance and the distinctive commercial market underpinning it.

Failure to respond proactively to the anticipated proposals for extension to permitted development rights to allow change of use from offices to residential, for example, could have profound long term impacts on London's office supply and its status as a global city. The GLA in partnership with London Boroughs should therefore ensure that provisions are made to continue to protect London's strategically important office locations.

In addition, the government's Productivity Plan¹ proposes to consider how "*national policy and guidance can ensure that unneeded commercial land can be released for housing*". Poorly drafted policies could result in losses of viable industrial and office sites which are key to supporting economic growth. The GLA and Boroughs should again carefully

¹ Fixing the foundations: creating a more prosperous nation (July 2015)

consider how important employment locations including industrial can be protected, where required.

The impact of such top down policy approaches on the outer London economy, the sub-regional and local economy should be considered including the need rebalance any losses of employment land or floor space capacity through the planning process through the allocation of new sites, where required. Failure to maintain local office/employment land supply could diminish access to local employment opportunities putting at risk the achievement of sustainable, mixed and balanced local communities.

In response to question G3, in identifying the type of workspace/employment land required relative to existing trends, we consider that the GLA should undertake a full review of its evidence base including the methodology. Any new evidence base should include a more in-depth assessment of sectoral needs rather than just broad assessments under the general typography of industrial uses e.g. light industry, general industry, storage and distribution, wholesale markets etc. The drivers of demand and changing needs of industry should be identified and considered such as the impact of the growth of online retail and increased demand for storage and distribution. Combined with this, an assessment of the locational needs and land use requirements for each sector should be undertaken so that sufficient land in the right locations can be allocated. Any new evidence base should also robustly assess the needs of the creative and tech sector together with research and development, science, media.

G4 In the context of meeting London's growth, what contribution should the [specified] 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)**

London is not meeting its housing needs, and is falling significantly short of the London Plan target of 42,389 new homes (and need of 49,000). In 2014 London First published Home Truths, which called for a bold approach to increasing house building in London. The report made twelve recommendations including:

- the need for London to become a denser city;
- that new transport infrastructure must be used as the catalyst to unlock more housing development;

- that boroughs will need to become more accountable for meeting their housing targets, possibly losing planning powers if they consistently underperform, whilst also being offered a real financial incentive to help them accommodate new homes;
- that a 'Domesday Book' for surplus public land in London should be introduced to coordinate the release of this land for housing; and
- more support should be given to boroughs that want to start building again by abolishing restrictions on local authorities borrowing against the value of their housing stock, where this would be within prudential rules.

The clear message from *Home Truths* is that there is no simple solution to London's lack of house building. The only way to increase supply is to take action on multiple fronts. London First provide a response on the potential approaches to increasing housing supply under the headings of Opportunity Areas, Green Belt and Residential Density.

Opportunity Areas:

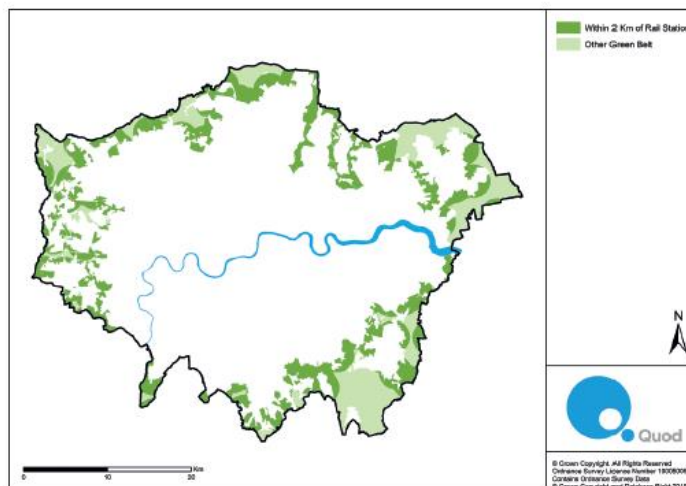
In July 2015 London First in partnership with Terence O'Rourke published a report, 'Opportunity Knocks: Piecing together London's Opportunity Areas' which identified that the potential of London's 38 Opportunity Area is largely untapped and set out a series of 10 recommendations to assist in unblocking their development potential. A copy of the report is [here](#). London First believe that by taking on board these recommendations that the GLA can significantly boost the supply of housing in London, for example:

- Establishing a specific task force within the GLA to deal with the delivery of OAs.
- Ensuring that every OA has an opportunity area planning framework in place and that delivery of these are underpinned by OA Business Plans which set out a pathway to delivery bringing together the development and infrastructure requirements with an analysis of costs, funding strategy and clear timetable.
- The use of simplified planning procedures in OAs.
- Identification of where additional support is required by the GLA to assist in delivery.
- The setting of zero CIL rates for strategic sites, where considerable investment in infrastructure is required.

A summary of the ten recommendations is set out at appendix A of this submission.

Greenbelt:

The majority of London's Green Belt was designated over 60 years ago. The designation does not indicate the quality of the land. A report published by London First, Quod and SERC in February 2015, 'The Green Belt: A Place for Londoners?' found that much of the Green Belt is very accessible with around 60% of it within 2km of an existing rail or tube station – as shown by the darker areas highlighted on the figure below. If environmentally protected land, parks and public access land is excluded, then there is still 42% of the Green Belt in other uses lying within 2km of an existing station.



London First are of the view that London's boroughs should be encouraged to review their Green Belt and consider how the land within it can be most effectively used and what the options are for re-designating a small fraction for new homes. In particular, the GLA and boroughs should look to areas that are close to existing or future transport nodes, that are of poor environmental and civic value or could better serve London's needs by supporting sustainable, high-quality, well-designed residential development that incorporates truly accessible green space. These areas also represent scope for development at higher densities compared to the traditional lower density development, particularly close to transport nodes.

A copy of the report is [here](#).

Residential Density

The GLA's Annual Monitoring Report 2014 shows that in 2011/12 and 2012/13 55% and 37% respectively of residential applications approved exceeded the London Plan density matrix for that particular location. In response to question G8, planning policy in London needs to support and manage the city's growth rethinking the density policies and the density matrix in particular, must be an important task in the next full review of the London Plan.

This point has already been recognised in the recent *Further Alterations to the London Plan* which have given greater policy support to densification in specific locations, namely town centres, opportunity and intensification areas, and on large sites. Likewise, the proposed changes to the Mayor's Housing Supplementary Planning Guidance (SPG)² make positive changes in this area.

² Draft interim housing supplementary planning guidance, Greater London Authority: May 2015.

There will always be parts of London that have specific constraints over high rise buildings or the conservation of heritage assets for example, but any particular proposal should be judged on a broad set of criteria including its location, the characteristics of development; the strategic context of the development; transport accessibility and social infrastructure needs.

As part of any review of the density matrix, a more sophisticated set of typologies than central, urban and suburban could be used to help support better use of land in a city as complex as London. A review of the matrix should, at the very least, update the base data to reflect actual development levels but should go further to consider if other measures about connectivity to employment, transport capacity and local facilities could be introduced. Consideration could also be given to measuring density within the context of the wider area rather than a development's net site area.

Wherever residential densities are increased, there should be a concomitant focus on ensuring that a high quality of the residential environment within the development and surrounding is secured including access to public open space, the provision of high quality public realm and access to social infrastructure and facilities.

Where can higher densities be delivered

London First consider that opportunity areas provide significant scope for delivering of new housing at higher densities.

Suburban areas and town centres with good accessibility to public transport offer significant, untapped potential for increased densities. Town centres may be appropriate for taller buildings and suburban areas for the introduction of mid-rise, flatted developments. In line with the draft Interim Housing SPG 2015, we are of the view that higher density developments are more suited to smaller, 1-2 bed units, there may be scope to incorporate 3 bed family units where there is access to good quality open space including children's play space.

Infill development in town centre, urban and suburban areas also offers significant scope for densification, thus optimising the use of underutilised land particularly 'left over' spaces within existing housing estates that are not used as quality recreational space.

Appendix A:

Recommendations of Opportunity Knocks Report:

- Recommendation 1: The GLA should establish a dedicated Opportunity Areas advisory team. It would provide commercial, project management, planning and transport expertise to assist the boroughs and streamline the delivery process.
- Recommendation 2: The Mayor should ensure that every Opportunity Area has an Opportunity Area Planning Framework in place.
- Recommendation 3: An Opportunity Area Business Plan should be prepared following each Opportunity Area Planning Framework.
- Recommendation 4: The Mayor should ensure London boroughs adopt and implement a simplified planning procedure through the application of Local Development Orders in all Opportunity Areas.
- Recommendation 5: To help inform prospective developers and investors, the Opportunity Areas should be categorised by the GLA to show the level of support from public sector bodies required for each Opportunity Area.
- Recommendation 6: An up-to-date, publicly accessible online portal showing the status of each Opportunity Area should be compiled and managed by the GLA.
- Recommendation 7: Building on the London Infrastructure Plan 2050 and the work of the London Infrastructure Delivery Board, and utilising the proposed Opportunity Area Business Plans, the GLA should ensure credible infrastructure delivery plans are developed in Opportunity Areas.
- Recommendation 8: Government should support the sustained investment in infrastructure required to deliver additional housing, jobs and economic growth in Opportunity Areas. This will require Government to:
 - maintain London's transport grant funding at least at current levels into the 2020s in the upcoming spending review;
 - provide the additional resources, powers or other guarantees that will enable London to fully meet its growth potential; and
 - implement reforms to utility regulation to enable more timely forward provision of electricity and water infrastructure.
- Recommendation 9: The proposed GLA advisory team should assist boroughs in assessing land values in Opportunity Areas, the costs associated with preparing a site for development, and the levels of contributions that development can make towards the cumulative planning obligations without jeopardising viability.
- Recommendation 10: In strategic development sites within Opportunity Areas, where considerable infrastructure investment is required to act as a catalyst for development, local planning authorities should set a zero-rated CIL. Local planning authorities should adopt a flexible approach to the timing and level of any other planning obligations in Opportunity Areas, based on the economic viability of development.