

## **Submission by the South London Partnership to the Outer London Commission**

The South London Partnership of the London Boroughs of Croydon, Kingston upon Thames, Merton, Richmond upon Thames and Sutton welcomes the opportunity to submit a response to the Outer London Commission consultation on Options for Growth – Towards a Full Review of the London Plan.

The Commission at the meeting on the 22<sup>nd</sup> July 2015 received a presentation of South London on Growth Options and Barriers to Housing Delivery that form part of our response to the consultation. The presentation clearly demonstrated South London's significant potential to deliver jobs, housing and economic development to London. The South London Partnership provides the solutions to balanced housing and economic growth, and innovative mechanisms to increase housing supply, and is well on its way to delivering its growth potential. This is partly due to scale of the transformation underway, and the approach adopted - for example the Croydon's Growth Zone will deliver upwards of 23,500 new jobs and 8,300 new homes in Croydon's opportunity area by 2031, through the development of brownfield sites in the centre of the borough. The annual Gross Value Added equivalent of these jobs is estimated to be in order of £1.2 billion by 2031. Croydon's growth zone will therefore have a significant positive impact in delivering South London's growth+ agenda.

With Croydon's renaissance already well underway, Kingston is also on a trajectory to deliver its own significant growth aspirations, through working with the Mayor on developing an opportunity area framework which will deliver new jobs and homes, as well as bringing forward district centre regeneration, for example in Tolworth; Sutton and Merton are also planning a significant housing contribution through the designation of housing zones in Sutton Town Centre, Hackbridge, and Morden; and Richmond provides outstanding quality of life, with some of South London's most attractive and popular residential areas. These opportunities for growth and regeneration amount to substantially more than 'business as usual', and are based on a clear vision and driving ambition to make South London the capital's first choice business and development destination which will deliver our Growth+ agenda.

### **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?**

The balance between housing and employment is of fundamental concern to any growing local economy. Outer London currently has a resilient sub-regional economy, with around 25% of citizens in the sub-region holding sub-regional jobs. However, policies which encourage transformation of existing employment sites for other uses, and particularly housing, are putting at risk both existing jobs in the sub-region and the potential for future high value jobs. It is crucial that planning policy enables South London to maintain and grow successful industries which offer employment to local people and provide jobs for London's growing population - for example, the engineering clusters in Sutton and Kingston, creative and culture industries in Sutton, Kingston and Merton, the new cancer science campus in Sutton, finance and business services across the region with a particular focus on Croydon and the technology industry in Croydon.

Policies encouraging sustainable and balanced patterns of housing and employment investment and growth in sub-regions will be a key way of moderating the rising pressure on

roads and public transport into and across London. Such policies can be allied with approaches to facilitating and encouraging walking and cycling and investing in local solutions, such as trams and strategic cycling connections, to bring about more sustainable use of transport. This is also an important policy aim both in terms of reducing carbon emissions and of supporting workers who cannot or do not wish to travel long distances to work.

Attention should also be paid to meeting the need for different types of housing in local economies - an appropriate balance of family homes and smaller units (1 and 2 beds) is important in order for local areas to retain experienced professional employees from diverse background.

SLP considers that the government's changes to permitted development (PD) rights, which allow premises such as offices and shops to change to residential premises without obtaining planning permission, is not striking the right balance. For instance, in Sutton Town centre 28% of the centre's office floorspace received approval to convert to flats in the two years prior to the council's Article 4 Direction coming into force. Across the borough, 79,004sq m of office floorspace has approval to convert. The council estimates that 62% of the total office floorspace lost was occupied, meaning employers are being evicted and displaced elsewhere. Similarly, Kingston Council estimate that around 200 jobs in the borough have already been lost or displaced in this manner. Croydon, London's largest metropolitan centre with capacity of 23,500 jobs has lost 2m sq. ft. of office space to PD conversions prior to the introduction of their Article 4 direction in September 2015. This has significantly impacted on the Council's ability to secure new occupiers into the centre and the quality and affordability of the housing developed through conversions.

A knock-on effect of the loss of office space in centres is a fall in footfall during the day leading to a loss of vitality to the retail sector in town centres. In many cases, the new units that have been proposed have been poorly designed, below current Mayoral Space Standards, and are potentially creating a surfeit of 1-bedroom units. Of the 1,114 units proposed through prior approvals to September 2015, 593 units (53%) are 1-bedroom units. None of the units is affordable.

The concern about the impact of PD is felt more widely in the sub-region and one of the key 'asks' in the South London Partnership growth prospectus is for an extension of the derogation from the GDPO permitted development that allows easy conversion from office space to residential. Finally, the conversion of older larger blocks of offices to new units is likely to prevent the type of comprehensive development that is required to help town centres accommodate higher levels of growth. Increasing housing and local employment in town centres will help to maintain town centres as the focus for retail activities - particularly if investment is made on improving the public realm. SLP does not consider that the strategy for housing growth in town centres should be achieved through the loss of retail and office space. Whilst increased housing may support the retail sector, the loss of town centre employment is likely to have a more significant adverse impact. In addition, our view is that that because it is more difficult to find sites for employment use than land for housing it is therefore essential that consideration is given to the need to maintain existing employment sites.

In summary, and echoing LB Kingston's submission, whilst we acknowledge the need for a balanced approach between retaining employment space and the need for more housing, and our members have supported redevelopment for housing of employment sites where the premises are clearly no longer fit for employment use we are very concerned that the loss of employment floorspace through permitted development, some of it in designated employment areas, is shifting the balance away from creating sustainable communities. There will be a critical mass of commercial space required in any location to retain the area's attraction for commercial uses, and its ability to provide job opportunities. Where centres and other locations lose that critical mass this can lead to the location taking on a 'dormitory' nature, where businesses and investors do not compete for space and do not see the potential from future growth. Dormitory towns are characterised by a relatively disengaged, evening and weekend resident population who have a low emotional attachment to the area and a daily opportunity to spend outside the Borough.

**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?**

Whilst the overall quantum of employment land available needs to be monitored and kept under review, it also needs to be considered against the needs of both local economies and London as a whole. For example, is employment land facilitating the forms of economic activity needed in an area? Are there other forms of employment space that could be delivered alongside new homes in a mixed-use setting?

For SLP boroughs such as Kingston to be able to continue to provide sustainable communities with opportunities to live and work locally there must be sufficient employment land protected from loss to other uses. In terms of industrial uses south London boroughs are identified in the London Plan as a locations where the transfer of industrial land to other uses is restricted, and this strikes the right balance. The restrictive change category reflects the relatively high demand for employment space in the south London sub-region, and is a mechanism designed to ensure land for employment purposes is retained where it is needed. In other London sub-regions there is not the same need to restrict the loss of employment land, and managed release of industrial land is allowed. However, the loss of office space to residential use in the Borough's town and district centres via the permitted development rights is a matter of great concern, that, if unchecked could distort the balance, and result in more residents needing to find employment (especially higher waged employment) out of the Borough

In summary, to echo Croydon's comment in its response, in planning policy terms SLP councils are restricted in terms of the amount of employment land they can release to housing, a position they favour given their desire to deliver holistic growth that creates 'places', incorporating both new jobs and homes.

**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?**

Consideration should be given to safeguarding and expanding industrial employment sites in outer London. The Strategic Industrial Locations are fully occupied and a number of smaller

industrial sites, such as Restmor Way and Mill Green Business Park in Sutton, as well as Willow Lane in Merton have lost floorspace due to permitted development rights. Furthermore, investors have communicated that there are insufficient industrial employment sites in the sub-region and that rents are rising. Although we are in a post-industrial world, South London retains vital specialist industrial sectors that are important to maintain the resilience of London PLC. Borough such as Sutton and Merton play a particularly important role as home for secondary and tertiary industries and business-to-business concerns serving London and the wider South East. South London is particularly strong in the construction, administration and support services and health sectors and, in recent years, has seen exceptional growth in the utilities provision sector.

For Croydon and to a lesser extent Merton with regards to Wimbledon, the boroughs state that it is quite clear from discussions with developers and investors that Grade A office space that provides an alternative to large and medium employers to the overheated markets in the City and Canary Wharf is required. This ambition is recognised across the SLP boroughs and that a refocused effort to increase the provision, availability and accessibility to Grade A accommodation is required. Critically this has to be secured through a proactive policy approach.

All boroughs emphasise that for the future to meet changing business needs, particularly in the tech sector, a range of types of workspace will be required for the future and policy should encourage its provision. Key issues are affordability; quality with a range from basic and incubator to high end; and flexibility of use including ranging from office hot-desking to small manufacturing and production spaces. The scope for boroughs to be involved in the direct delivery of such space is also evidenced, with Croydon for example converting 20,000sqft of space within one its offices into a Tech Hub.

SLP boroughs recognise that whilst the TfL Major Schemes programme has been had successes and the fund has benefited town centres considerably, we feel that as part of the review of the Mayor's Transport Plan in the context of the new London Plan, the Mayor should consider broadening the scope of the Major Schemes bids to include London's Strategic Industrial Areas as well as its town and economic centres and high streets. An example is Sutton Council submission of a proposal for the Beddington Strategic Industrial Area as a Major Scheme Bid, with the helpful input of TfL.

However, an explicit policy recognising the value of improving transport infrastructure in these areas as well as enhancing the public realm would add considerably to the vitality and viability of the industrial areas across London and promote new growth and jobs. Kingston Council cite similar concerns with accessibility as essential to ensuring that workspace and employment land in the sub-region is fit for purpose; they note the importance of developing transport links to provide for the key district centres and possibly industrial estates. In areas of existing and future low PTAL levels, a flexible approach to car parking needs to be considered in order to sustain and attract key industrial sectors.

**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 Green Belt 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).**

SLP acknowledges the potential that Outer London has to increase housing supply in town centres. It is for this reason, for instance, that Sutton Council have worked with the Mayor to designate Sutton Town Centre and Hackbridge as a Housing Zone and why Kingston Council is working with the Mayor to identify a Kingston as an Opportunity Area and Tolworth as a regeneration area. Merton Council is working closely with the Mayor and TfL to bring forward housing development in Morden town centre and are hopeful of Housing Zone status and funding being provided. The potential of Croydon town centre has been recognised through its designation as a Growth Zone. Given the diversity of the housing development offer across the SLP Borough's (modest as well as large scale), SLP believes that Outer London can make a significant contribution and be a strong delivery partner for the Mayor within the next London Plan period whilst some of the more challenging major opportunity sites, such as Old Oak Common, come on stream.

However, there are two key criteria to achieve this potential. Firstly, investment in transport infrastructure is required. Outer London must be supported by robust, sustainable public transport systems. Specifically, SLP supports Crossrail 2, given that it would improve connectivity across London and the sub region, and bring significant benefit around those stations included within current regional route proposals. The Partnership is however keen to establish equitable and fair funding arrangements, unlike Crossrail 1 whereby a universal levy was applied across London despite limited or no benefit to some parts of the sub region. Existing borough-funding commitments to major transport infrastructure should also be recognised.

Secondly, South London needs to retain its ability to offer an attractive quality of life. South London is currently a popular residential area because many parts are relatively spacious and comfortable. It is important that further densification does not occur at the expense of quality of life in such areas. A strong policy presumption around design quality and space standards is therefore supported.

With regard to small-scale / infill sites these already contribute significantly to housing provision in boroughs. For instance, in Kingston, where there are comparatively few medium/large approved development sites, last year sites of less than six units contributed 75% of the total permissions in the Borough. Whilst there are likely to be limitations to increasing density of infill sites wholeheartedly across the prevailing context and character

there is a need to identify how the speed of delivery of small-scale sites can be increased. There are barriers to delivery of small-scale sites, chief among them access funding. It is of relevance to point out the considerable number of house extensions that continue to be developed through planning permission and through permitted development. Whilst extensions in themselves do not add units to the delivery of housing numbers, they do add to residential capacity, and may absorb some of the population growth as extensions allow family generations to live under one roof. SLP support Kingston Borough's suggestion that the impact of extensions on the need for housing is something that could usefully be researched by the GLA.

With regard to London's Green Belt, that is a strategic matter that extends beyond London's boundaries and would be best addressed through comprehensive consistent review at the regional level.

**G6 Would it be worth considering growth 'corridors' (e.g. 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 (e.g. associated with CR2, HS1, HS2, CR1 extensions, C2C improvement, Gatwick)?**

Whilst it is not a 'corridor', all the South London boroughs view themselves as part of a South London Partnership growth area where higher employment growth and housing delivery can be achieved, particularly through new infrastructure development some of which will stem from radial transport routes, but where orbital connectivity also receives investment. SLP also recognises that there may be some benefit to the sub-region as a whole through the cross boundary consideration such as Croydon's participation in the Gatwick Diamond and from new corridors such as CR2 where Kingston is keen to work with the Mayor and GLA on realising its potential connectivity and economic benefits.

SLP boroughs would however add that whilst the concept of growth corridors can be helpful such designations are only meaningful if they help to drive the flow of infrastructure investment. It is not clear yet that key funders and agencies are sufficiently mindful of these designations as they come to prioritise their long-term investment plans.

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

As discussed above (see Q. G4), the provision of a robust and resilient transport infrastructure is a crucial element of realising and maximising the benefits of growth both in the sub-region and more widely; specifically, as Kingston, Sutton and Croydon Councils emphasise in their borough responses, the need for improved orbital transport improvements in outer London must be given greater consideration. In the medium term, the need for major investment in the heavy rail network is recognised (and it is accepted that this does not predominantly lie with Transport for London). In principle, the integration of some of the rail network into the strategic transport responsibilities for London to support a greater metro type of services is supported by SLP provided that existing services are not downgraded.

In the response to G1 we point to the need to ensure the development of sustainable communities, particularly with regard to town centres and the need to ensure the right balance between housing and employment uses and we would reiterate that point here.

A key benefit of new housing growth is that it will help sustain existing local services and facilities. This will be particularly beneficial in the district and local centres where changes in shopping habits have weakened the vitality of some centres and additional housing will boost footfall and reinforce these centres. Benefits can also be maximised by ensuring that as far as possible the right growth takes place in the right locations, and meets the right tenure and mix requirements, thus addressing the key matter – the need to provide more housing. Ensuring growth is appropriately targeted will require consideration of local Strategic Housing Market Assessments. However, and as alluded to in the question, the benefits will also include additional infrastructure required to facilitate the new development, but which will also be of benefit to the existing population, and which will make the growth more acceptable. The use of existing tools such as CIL and planning gain will remain important. Local infrastructure requirements should be identified and innovative funding solutions applied to allow the delivery of schools, health facilities and other social infrastructure ahead of major new development to both facilitate and stimulate the growth, and address local concerns about inadequate infrastructure provision. The quality of new development is critical for the mitigation of local concerns. Design quality has been a critical factor recently in Boroughs' in determining whether schemes progress or are sent back to the drawing board. High quality design can be a counter-balance to concerns about density.

SLP endorses Croydon Council's response where it suggests that the benefits of growth to the provision of local employment both during construction and in the longer term should be exploited more than they perhaps are at present.

Creating a high quality environment that encourages inward investment and enhances the quality of life offered to residents should be a major objective.

Embedding green infrastructure should be a further priority, particularly in the context of mitigating concerns about growth in outer London. This could include embedding green infrastructure objectives at the inception of GLA projects, developing London-wide minimum green cover standards, gathering further evidence on the amount and type of green infrastructure which will be needed to deliver green infrastructure objectives and mapping the potential for retrofitting SUDS across London.

Strategic objectives for green infrastructure should reflect the following benefits:

- provision of urban cooling and counteracting the urban heat island (UHI) effect;
- provision of flood risk management/ SUDS;
- provision of water storage and allowing water to infiltrate into the ground, thus sustaining aquifers and river flows during drought conditions;
- enhancing water quality in line with Water Framework Directive objectives by promoting green space / SUDS as part of 'water sensitive urban design';
- the role of green space networks at all spatial scales to biological diversity from increased vegetation cover and connectivity;

- permeating developments with green space links to provide natural habitats for the migration and dispersal of species in the wider urban environment;
- mitigation of air pollution by new planting particularly along busy roads;
- contribution of planting to climate change mitigation by acting as a 'carbon sink'
- promoting green travel options such as walking and cycling and benefits for recreation, leisure and amenity;
- addition of commercial value to developments through green enhancements;
- role of green space in local food production (allotments, community farms etc.)
- supporting and enhancing major open space such as the Wandle Valley Regional Park.

We support the London Infrastructure Plan 2050 identification of the need for additional secondary school places to support further development. Given the established suburban nature of much of South London and the shortage of available sites of a size required for a secondary school, some SLP councils consider that the London Plan will have to accept that some secondary school development will occur on Metropolitan Open Land. However, the SLP would only advocate the use of Metropolitan Open Land once all other site possibilities have been exhausted.

SLP is also interested in what more can be done to address the urgent problem of temporary accommodation. For instance, in Sutton the council are already building their own new provision for temporary accommodation - a facility for 40+ temporarily homeless households. Councils continue to see demand rise, notably around families with No Recourse to Public Funds. With the emerging new pressure to take refugees to deal with the European and Middle-Eastern crisis, we urgently need a London-wide, and indeed national, response which is not just immediate in nature but recognises the on-going demands on other services that temporary accommodation provision can generate.

**G8 Does the London Plan density matrix need to be reviewed (e.g. 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?**

SLP supports the broad thrust of the policy to increase density in and around town centres, where appropriate. Indeed, SLP Councils' adopted local policies are broadly in conformity with the London Plan: the Councils have identified suitable locations for taller buildings within town centres and have defined Limits of Sustainable Residential Quality around town centres where intensification can take place. However, SLP believes that individual Councils are best placed to assess density on potential and application sites as they are aware of the role and function of each of their town centres and any local factors that may inhibit development.

Whilst the matrix works as a benchmark and its ranges themselves are sufficiently wide to allow local factors to be taken into account. However, the matrix is unnecessarily prescriptive when it comes to describing settings. The matrix expects urban settings to extend for 800 metres from District Centres. However, in the case of Sutton's District Centres and other District Centres across Outer London, the centres are linear and their hinterland may only

extend for 100-200 metres before suburban characteristics predominate. Indeed, if the 800-metre extent were taken literally in, for instance, Sutton, all of its District Centres would merge into to one great central intensification belt and the distinctiveness of each District Centre would be lost.

The SLP councils consider that the higher density buildings on development sites over 5ha can only be provided with the necessary infrastructure, such as schools and open spaces. In particular, on sites with a low PTAL, improved transport provision is especially important. An example is the Sutton Hospital site, which has PTALs of 1b and 2. Higher density development such as that envisaged as part of the London Cancer hub would only be possible with significant improvements in public transport, such as an extension of Tramlink or an improvement of services on the current Victoria to Epsom Downs line to serve this new development.

On the subject of PTALs SLP supports the need for a review of the PTAL ratings, which can appear to be inconsistent. The huge differences between what level of provision is achieved at PTAL 6 in inner compared to outer London is not distinguished on the matrix, but should be. Areas that rely on for example one tube/train line (in and out) and 10 buses which only travel locally should be considered as a different PTAL to areas that have three tube/train lines with differing destinations and four buses that travel strategically linking wider areas. PTAL ratings are currently a measure of 'good access to services' and do not factor in the range of routes served, which is more important for housing, employment and access to amenities.

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

Within the SLP sub-region Sutton Council considers that the Royal Marsden Hospital (RM), the Institute of Cancer Research (ICR) and the largely vacant 7.6ha Sutton Hospital site in Belmont, previously known as Sutton for Life and now promoted as the London Cancer Hub, should be designated an Opportunity Area. Sutton Council, the RM and the ICR are working together as the London Cancer Hub partnership. The Council welcomes The Mayor's support for the evolution of London's science, technology, media and telecommunications (TMT) sector and his promotion of clusters such as Tech City and Med City. The Council was delighted that the Further Alterations to the London Plan included reference to Sutton for Life as it was at that point. However, the Council considers that the new Plan should include the expansion of a life science cluster, London Cancer Hub.

The Royal Marsden Hospital and Institute of Cancer Research have plans to intensify their estate. In addition, early work by the LCH Partnership has identified market appetite from specialist life science investors and commercial companies to co-locate with Royal Marsden Hospital and Institute of Cancer Research. This potential is currently being given form through a jointly commissioned Development Framework that is being developed with the financial support of the GLA with the expectation that it will contribute to the evidence base for a new local plan. London Cancer Hub has the potential to be a world-leading campus specialising in cancer research, diagnosis, treatment, education and biotech commercialisation and second only in size globally to the MD Anderson campus in Texas, America. It will provide a major boost to London's life sciences sector and boost London's

economy by millions of pounds, with 192,000 square metres of space for enterprise, research and medical facilities and potential for 9,000 full time jobs. The remainder of the Sutton Hospital site could be available for range of uses including a patient hotel, a 10 form-of-entry secondary school, residential units and a possible tram depot for the planned Tramlink extension from Morden Road, via Morden Town Centre and Rosehill to Sutton Town Centre and London Cancer Hub. The local community and stakeholders have been engaged at an early stage to shape the proposals and a formal consultation on a preferred option will take place in early 2016. The Council considers The Mayor will be an important partner in the development of this medical research-led development. Given the global importance of the development and the extent of development anticipated, the Council considers the area is an appropriate Opportunity Area.

In addition, as part of the Sutton Local Plan a number of 'local' opportunity areas are being developed. The Council would welcome the opportunity to engage further with the GLA as this work progresses.

Also in the sub-region Kingston Council has identified an area taking in Kingston town centre and land to the east (including a Local Authority housing estate) for identification as an Opportunity Area in the next iteration of the London Plan. The Council is working with the Mayor to assess and realise the potential of this area. The capacity of this area to accommodate growth has not yet been fully assessed, but it is likely to exceed the 2,000 jobs and 2,500 homes minimum Opportunity Area threshold. The Council are currently reviewing how best to provide the statutory planning framework to allow development to be planned and taken forward in this area prior to the adoption of the next London Plan towards the end of 2018.

The other key opportunity for growth in the Kingston borough area is at Tolworth District Centre where there are some significant development opportunity sites within and adjoining the District Centre that are identified in the Core Strategy. The possible introduction of a Crossrail 2 station and decking over part of the A3 could significantly increase the potential of the Centre for growth, and support higher density development, as Crossrail will lift the PTAL in the centre beyond its current 3 rating. The Council propose to prepare an Area Plan for taking forward development in Tolworth.

In South London areas associated with stations on the Crossrail 2 route may offer opportunity for growth, and should be explored once there is more certainty on the route. The Mayor should deliver on the principle that areas that are proactive in supporting growth should receive the infrastructure investment benefits that will improve quality of life for existing as well as future residents. Work is on-going in SLP to develop proposals for employment and housing growth above that proposed in the current London Plan and we will be generating a first draft prospectus for growth in South London by the end of 2015.

## **HOUSING DELIVERY**

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

The South London Partnership recognises the importance of accelerating housing growth across the sub-region and feels that this could make a significant contribution to meeting London's affordable housing need. As demonstrated by the Sutton One Housing Zone proposals where, for example, Sutton Council envisages significant opportunities to provide additional housing in town centres in the sub-region. However, it is essential that this occurs in a planned and comprehensive way and is fully accompanied by the necessary developments in transport and other infrastructure. The Partnership is therefore concerned by suggestions in the London Infrastructure Plan 2050 that the impact on infrastructure requirements relating to town centre intensification will be minimal.

In South London public transport is inferior to other parts of the London. Indeed, Kingston and Sutton (alongside Bexley) are the only three boroughs in Greater London without either an Underground or Overground station. As Kingston, Sutton and Croydon Councils agree (please refer to their borough submissions) poor transport infrastructure seriously limits the scope for growth in the sub-region. Although proposals for introducing a South London orbital rail line are included in the Infrastructure Plan, this is extremely vague and equally it is not clear that the Bakerloo Line Extension feasibility presently underway will assist. Likewise, whilst the existing reference to a Tramlink extension to Sutton is welcomed, a revised London Plan should be clearer on timetables.

Domination of gyratory road networks in Merton centres – particularly Mitcham and Morden as well as in Sutton's Town Centre are inhibitor to growth that requires attention.

## **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 house building firms in London and the level of competition within the development sector; and**
- **private sector capacity and skills shortages.**

Within South London boroughs can cite examples where all or some of the above factors have prevented approval although Kingston suggests that the problems mainly focus on small and on large scale developments; noting that in South London the boroughs experience a high number of applications for small size developments (1 to 5 units).

## **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**

Boroughs have identified a large need for 2- and 3-bedroom market housing, presumably for couples moving out of inner London with a view to starting a family in the suburbs, and 1-

and 2-bed affordable housing, arising from the lack of mortgage availability for first-time buyers. Therefore, there is an argument that the affordable need could be provided by the private rented sector. However, average private sector rents (in June 2014) in a South London borough like Sutton were £980pcm, which is a considerable cost for a single person and large outlay for a couple. Furthermore, it is becoming more difficult to get a Local Housing Allowance to help with housing costs, consequently residents can be expected to pay 40-50% of their income on housing costs. With this in mind, the councils are not sure that the private rented sector is a good solution to housing demand and affordability. Indeed, the only sustainable long-term solution is the provision of socially-rented and affordable housing.

Purpose-built, long-term private rented housing may provide a better standard of accommodation than many other private rented sector options and an alternative funding route and development model to improve supply. However, institutional investors have historically expected higher returns than can be reliably demonstrated. This is why in the short term, councils with their role as entrepreneurial yet long term investors in their localities are stepping-in themselves to make provision through housing companies. Nevertheless it's yet to be proven that purpose-built, long-term private rented housing will be a large-scale long-term solution to other preferable long-term solutions. It is also unclear whether there really is a significant long-term appetite for this sort of investment from funding sources.

In terms of the potential for specialist housing for older Londoners, councils have moved to a policy of care at home rather than care in a care home, which has resulted in the number of Council placements in a care home falling. For instance in Sutton they fell from approximately 170 in 2008/09 to 43 in 2012/13. The Council expects that the number of self-funding care home residents will similarly reduce in the near future as they become aware of the various packages available for care in their own home. Consequently, although the population will age over the next 10 years, the demand for bedspaces in care homes will fall significantly and it is likely that no further bedspaces will be required, given the existing capacity. However, the demand for specialist older people's housing, which allows for care at home, will rise in line with the predictions.

SLP believes that boroughs should have the option to introduce policies to restrict the growth of care homes where there are already a significant number of establishments. Again in Sutton in 2012, there were 17 care homes concentrated south of Sutton Town Centre and 14 care homes concentrated south of Wallington District Centre. Increasing concentrations of care homes is likely to have the effect of reducing footfall in local centres, placing additional stress on certain parts of the health service network and denying housing choice to other groups of Londoners. Given the growth of care at home and the potential negative effects of care homes, the Council considers that a local solution to this issue is the best policy. Boroughs should undertake their own local needs assessment for bedspaces in care homes and formulate planning policies to meet local circumstances.

In terms of student housing it would be much more preferable for this to be delivered as part of a wider HE offer, with universities relocating academic facilities to outer London centres alongside student accommodation. This will provide much greater opportunities for jobs and economic growth in outer London, and assist the wider goal of placemaking. The partnership

does not consider locating standalone student accommodation in suburban locations a satisfactory policy approach.

SLP considers that estate regeneration does potentially offer considerable scope for raising housing delivery. For instance, Kingston is currently reviewing the potential to increase provision on the Cambridge Rd Estate, where it has been estimated numbers could double from the current 800 units (albeit these numbers are yet to be tested) and Merton is working closely with their LSVT Registered Provider Circle MPH which is bringing forward regeneration proposals for three large estates that will significantly increase housing supply.

However, as Croydon council has pointed out, estate regeneration schemes of any scale will be extremely challenging in the years ahead given levels of public funding. If the GLA and the government are keen to deliver additional homes through the intensification of existing estates significant levels of funding will need to be made available to support local authorities in delivering such schemes. This is particularly true given the impact on the financial position of RPs and local authorities following the government's decision to reduce rent levels, which is curtailing the potential funds available for investment in activities such as estate regeneration.

In SLP there is an appetite and potential in key locations for a step change in the housing numbers delivered through comprehensive town and district centre redevelopment. We will work together in the Partnership and with GLA to realise the potential of South London to deliver more housing, and indeed, employment. However, we to reiterate the points made elsewhere in this response that an significant increase in the housing and employment offer needs to be accompanied and enabled by investment in infrastructure raising PTAL levels in key locations.

#### **H4 What are the practical measures can boroughs take to boost supply, for example:**

- **providing a more certain and speedy development management process (e.g. s106 negotiations, use of conditions and condition discharge)**
- **more positively enabling small scale/infill development in order to support small and medium sized house builders**
- **greater use of CPO powers**
- **wider application of the Housing Zones model**
- **widening the pool of identified and allocated large sites in Local Plans**
- **Land parcelling of very large sites**
- **conditioning minimum levels of housing output**
- **exploring 'use it or lose it' powers.**

In SLP, Sutton Council believes that local councils have great potential to boost housing supply through their investment activity. To this end, the Council has established a housing development company. To help this venture succeed, the Council considers there is a case to support small and medium sized contractors (rather than developers)

In Sutton, there are currently 2,041 potential dwellings locked up in unimplemented planning permissions and prior approvals. This suggests that the planning system is not a hindrance to housing growth but the borough is subject a significant amount of land-banking and site speculation with no intention to build. Some of these permissions relate to large strategic

sites (e.g. Victoria House and Sutton Point) and the original consents were granted nearly decade ago.

Whilst the Housing Zone provides welcome focus at both the regional and local level to address these sites, additional powers may be helpful to unblock sites where the private sector is unwilling or unable to bring them forward. In this context, alterations to S106 and Local Plans are likely to have limited impact. Simplified and cheaper CPO powers for councils should be considered and the council is watching the introduction of “use it or lose it” powers in Ireland closely to see if they do increase delivery or merely turn into a “lawyers’ fee benefit”. Land parcelling is also an interesting option but invariably takes a much longer time than originally envisaged.

Furthermore, in this context SLP particularly endorses the view expressed by Croydon in their response to the Commission where they state one role nearly all boroughs can undertake is co-ordinating public sector landowners to maximise the development potential of their land and, in some cases, thereby boost housing supply. This can be achieved through moving away from individual short-term land value realisation based around opportunism to the measured strategic rationalisation of sites between agencies, co-location of services, or the intensification of public sector sites. The role can extend to engagement with central government and also public/private bodies such as Network Rail. The benefit of boroughs taking this role is maximised where the local authority is willing and able to engage financially to facilitate land swaps or rationalisation through its own investment and development activity.

Should the Government bring forward proposals for Right to Buy in RP stock then serious consideration should be given to the ring-fencing of receipts at regional or sub regional level in order to ensure that replacement affordable housing supply can be supported.

**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?**

Councils in SLP are exercising leadership in promoting housing development and growth through their policies and plans, by supporting and intervening in the market where that will have a positive outcome and by forming development companies, as Croydon has recently established, and economic development programmes, such as Opportunity Sutton.

In more detailed, practical terms boroughs could identify Housing Revenue Account, non-Housing Revenue Account and private land suitable for residential development and create a land bank of all potential land assets suitable for residential development and encourage Registered Provider’s and developers to bid for and submit development proposals. This would be similar in principal to the database currently being set up by the London Land Commission. There is evidence that there may well be significant amounts of publicly owned land no longer needed for health or defence purposes that could be utilised to provide housing.

Boroughs within SLP have suggested that the development of substantial numbers of residential units for target/social rent is unlikely to come from developers and Registered Providers and therefore boroughs should create programmes for self-building residential schemes; the impact of such activity would generate rental income into the Housing Revenue Account. Mechanisms to fast track schemes through planning that meet the affordable housing policy requirement in full should be developed, whilst ensuring that design quality and other key issues such as a scheme's sustainability credentials are adequately addressed.

Finally, Kingston Council proposes that boroughs could provide funding facilities to support self build developments; creating a system that enables boroughs to source funding for self-build schemes.

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

There is a mixed picture in South London with Kingston and Croydon, for instance, reporting that there is a challenge around the capacity of local authority planning departments (with significant savings needing to be achieved over the next four years by councils likely to make the situation worse). Sutton on the other hand reports that there are currently no issues with skills in the Sutton Development Management but it foresees that as the economy continues to improve and the number of large applications continues to rise, the recruitment of skilled and experienced Development Management planners is likely to become more of an issue. They have a successful pre-application service and use PPAs effectively. There can be a need to bring in additional capacity to cope with the volume of applications and there can be a lag and a cost premium to do this. The service has evolved to be a sophisticated client for 'specialist' skills such urban design, conservation and viability advice which it draws in as necessary but there may be an opportunity to work with other boroughs and the GLA to make this process easier and cheaper in order to expedite planning decisions.

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

Modern methods of construction reduce the risks to construction programming, and therefore provide cost and efficiency savings. Modular and prefabricated houses can be almost entirely constructed in a factory environment. This means the construction process is up to three times faster than existing house-building methods, saving time, labour costs, and increased efficiency. Since the majority of the construction process is completed within a factory setting, weather delays are eliminated. Tasks can occur simultaneously with onsite and foundation works being completed at the same time that fabrication is completed. This gives developers a much more accurate build schedule, and reduces the risk of costly overruns.

The YMCA development of the acclaimed 'Y Cube ' housing in Mitcham provided clear evidence of the benefits of modern methods of construction which Merton Council is looking to replicate where other sites provide an opportunity.

All sectors across the development industry should unite in support of modular technology. Whilst standardised modular formats will not be appropriate in all locations, and many environments will require a bespoke design solution requiring traditional materials and means of construction, as for example in or adjacent to Conservation Areas, there will be some environments where modular construction will be acceptable.

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