James Small-Edwards AM
Chair of the London Assembly Planning and
Regeneration Committee
C/o David.Stoker@london.gov.uk

Our ref: MGLA240325-2550

**Date: 12 August 2025** 

Dear James,

Thank you for the London Assembly Planning and Regeneration Committee's report into unlocking development in London.

A robust and clear spatial policy framework will be instrumental in unlocking development in London, and my next London Plan will seek to reflect this.

My response to the recommendations in the report is set out in the annex below.

Yours sincerely,

**Sir Sadiq Khan** Mayor of London

## Annex

# Mayor of London's response to the recommendations of the London Assembly Planning and Regeneration Committee's report on Unlocking development in London

#### Recommendation 1

The GLA should work with Government to bring forward a set of actions to support the SME development sector in London meet their demand for better finance and larger sites. This should include options for how SME builders can access suitable sites for development on land owned by the GLA, and its functional bodies.

Tackling London's housing and affordability crisis requires all parts of the housing sector to contribute to housing delivery. The Small and Medium-sized Enterprise (SME) development sector plays an important role in providing housing for Londoners, and the Mayor is committed to supporting the sector. He also recognises the need to diversify the housing sector and the importance of increasing the amount of housing brought forward by SMEs, as reiterated in the Towards a New London Plan consultation document (Sections 2 and 4.1).

As part of this commitment, in 2018 the Mayor's Small Sites Small Builders programme was launched, which aims to increase the availability of small, publicly owned sites of up to 0.25 hectares (or sites that can accommodate up to 100 homes) to small developers, housing associations and community-led organisations. Since 2018, the programme has made 70 sites available and continues to support public sector organisations, including the Greater London Authority (GLA) group, to identify and bring sites to the market for the SME development sector, helping to create a pipeline of sites. The Small Sites Small Builders disposal portal also establishes best practice for selling small public assets to SME developers.

Officers are engaging with the Government regarding potential initiatives that further support the delivery of small sites, including through a new City Hall Developer Investment Fund that would provide more flexible financing options to partners (including SMEs).

The Mayor is also considering how he can best support this sector through the next London Plan, which will be simplified and look at different approaches to development, with the goal of diversifying the market and creating more opportunities for SME builders. This includes considering potential measures such as design codes or setting minimum height benchmarks so that it is clearer for small builders and building companies as to how they can bring forward sites alongside major developers.

Officers are working directly with London's local planning authorities through the Land4LDN programme. Alongside a new digital Strategic Housing Land Availability Assessment (SHLAA), this programme seeks to gain a better understanding of London's land supply, including by identifying smaller sites that may be suitable for SME developers. The project included a 'Call for Sites' exercise, where landowners, developers and the public were asked to submit sites with the potential for development. This work will underpin policies of the next London Plan, including borough housing targets.

## **Recommendation 2**

The GLA should publicly report on progress on the Housing Delivery Taskforce recommendations, by end of July 2025.

The Mayor is pleased to note that since the publication of the London Housing Delivery Taskforce's Joint Position Statement in November 2023, a number of its recommendations have been taken forward. The Mayor can write to the Committee on progress against the Taskforce's recommendations by the end of the summer.

The Taskforce made several recommendations directed at City Hall, all of which have since been implemented. Key recommendations adopted by City Hall include launching a new local authority acquisitions programme, the Council Homes Acquisition Programme (CHAP), in November 2023. Officers have also published information to ensure Local Planning Authorities are not applying design guidance mechanistically and launched the Strategic Housing Land Availability Assessment call for sites.

Officers have been working closely with the Government to advance Taskforce recommendations, and the Mayor is pleased that the Government has accepted several of the Taskforce's recommendations, including publishing much-needed guidance on second staircases, consulting on reforms to Right to Buy, and providing over £400 million in the Affordable Homes Programme 2021-2026 bridge funding to London.

#### Recommendation 3

The GLA should establish its own London version of the Homes England section 106 clearing service.

The Mayor welcomes the Committee's recommendation to establish a London version of the Homes England section 106 affordable housing clearing service. Since the launch of Homes England's service in December 2024, Homes England has been exploring expanding the service. GLA officers have been working to bring the clearing service to London. The Mayor will update the Committee when this has occurred.

#### Recommendation 4

The next London Plan should establish a clear policy hierarchy that prioritises housing as the key land use across appropriate undeveloped sites in London. This should be adopted as an overarching policy. It should be explicit that housing development with sufficient affordable housing, of a sustainable scale, appropriate character and with sufficient infrastructure, can tip the planning balance in favour of approving applications.

The next London Plan has the twin priorities of tackling the housing crisis and driving economic growth and productivity improvements. This reflects a recognition of the drag on London's economy caused by housing and housing affordability.

National planning policy makes clear that planning applications that align with an up-to-date development plan should be approved without delay. Measures in the Planning and Infrastructure Bill may further assist, such as allowing the Secretary of State the powers for planning authorities to raise their own planning fees to improve capacity, the potential for delivery bodies such as Natural England to set standardised levels of environmental mitigation through Environmental Delivery Plans and the delegation of some decisions to planning officers. It is intended that there will be greater clarity in the next London Plan about what is needed to align with it and incentivise compliance. However, the challenging financial context means that it is harder for proposals to achieve full compliance, and therefore negotiations including viability are necessary in more cases.

Alongside the launch of the Towards a new London Plan document, the Mayor has been calling on boroughs to show flexibility and pragmatism in reaching planning decisions, as this will be critical to London achieving the significant increase in housing development needed.

## **Recommendation 5**

The next London Plan should be simpler. As part of the Planning for London Programme, the GLA should work with Londoners to carry out a first principles in/out evaluation of each policy in the current London Plan. The GLA should consider how this could inform the London Plan to provide greater clarity to local authorities on what is a 'must' and where and how they can be flexible.

The Mayor has committed to a streamlined London Plan. This means a Replacement Plan rather than amendments. Recognising the fundamental shift in the spatial strategy required to meet London's housing challenges, this also provides the opportunity to align better with national and local provisions, provide a more concise and clearer policy framework, and respond to any implementation issues that have arisen since the current plan was published.

## Recommendation 6

The GLA should maximise opportunities for affordable housing on GLA and TfL brownfield land by offering enhanced incentives for brownfield development – such as expanding grants specifically to help offset remediation and infrastructure costs, while not compromising the health of existing and future residents on and around the site.

When progressing housing opportunities on GLA and Transport for London (TfL) land, officers will explore ways to achieve the Mayor's ambition of 50 per cent affordable housing, including through the availability of funding.

The GLA's grant programmes have established objectives and parameters that inform how the funding will be allocated and whether this could assist housing delivery on GLA and TfL land.

The GLA is in discussion with the Government about how brownfield funding, including the  $\pounds$ 4.8 billion of Financial Transactions announced in the Spending Review, can be used in London. The Mayor has put forward a proposal for a new City Hall Developer Investment Fund, which would provide more flexible financing options to assist with the development of brownfield land. With the backing of Government, this fund would be available to GLA Group landowners, in accordance with any agreed funding parameters.

## Recommendation 7

The GLA should conduct a thorough review of existing brownfield registers to ensure the data is still valid, sites are being maximised, and identifying new brownfield sites that can be included on the register.

Officers have been engaging widely with the development industry and all local planning authorities in London to bring together the best available picture of current brownfield land through the Land4LDN programme. This has involved consideration of sites recorded in 'other borough datasets', including brownfield land registers, as well as those sites with planning permission, allocated (or proposed to be) in development plans, and promoted through the Call for Sites, which ran initially from September to November 2024.

Through the Land4LDN programme, officers will develop an up-to-date understanding of land supply in London. This will inform the SHLAA and the development of the next London Plan and

will help officers understand the number of homes that may be brought forward under particular policy options.

## **Recommendation 8**

The Mayor should work with Boroughs to identify sites where there is interest for establishing new MDCs. In taking any decisions to designate MDCs, the GLA should consult with all relevant London Boroughs and local communities.

In his 2024 manifesto, the Mayor committed to taking decisive action where needed to create new Land Assembly Zones and to set up more Mayoral Development Corporations (MDCs) where these are the most appropriate tool to boost housing supply and drive regeneration. Since then, the Mayor has announced a proposal for a new development corporation to pedestrianise Oxford Street. As part of continued action to increase housing supply, the Mayor is considering other locations that might benefit from intervention.

The Government's Planning and Infrastructure Bill sets out a clear intention for new towns to be supported by development corporations. The Mayor looks forward to the announcement of the task force's final recommendations (which is expected to report to Government in the summer) on new town sites and the preferred delivery vehicles.

Any future plans to establish MDCs in London will include consultation with relevant boroughs and local communities.

## **Recommendation 9**

The GLA should publish data on how the threshold approach is operating for referable and non-referable applications. As a minimum, this should include: (i) the proportion of planning applications in London that have proceeded via the fast-track route; and (ii) the overall proportion and number of affordable homes delivered every year since 2021. This data should be shared with the Committee by September 2025. This data should be uploaded to the London Data Store and updated annually.

The GLA publishes data on affordable housing in referable applications annually. This provides information on the operation of the threshold approach, including the proportion of planning applications that have proceeded via the Fast Track Route and the overall proportion and number of affordable homes secured every year since 2011. This is available <a href="here">here</a>.

Additionally, affordable housing data for all applications (non-referable and referable) is available in the <u>Planning London Datahub</u>. This includes information on the overall proportion and number of affordable homes delivered every year since 2004 and can be accessed by navigating the arrow at the bottom of the dashboard to page 3 of 8, where the number of residential and affordable housing completions by year is displayed. This data is supplied by applicants and local planning authorities and may require amendment as data quality reviews are completed. Completions data is provided by boroughs on an annual basis, and so data for the latest year may not be up to date.