

LONDONASSEMBLY

March 2025

Planning and Regeneration Committee

This document contains the written evidence received by the Committee in response to its Call for Evidence, which formed part of its investigation into unlocking housing development in London.

Calls for Evidence are open to anyone to respond to. In July 2024 the Committee published a number of questions related to its investigation, which can be found on page 2. The Call for Evidence was open from 31 July to 28 August 2024.

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LONDON ASSEMBLY

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Questions asked by the Committee

1. There is an identified housing target in the London Plan of 52,000 new homes per year until 2029, half of which should be genuinely affordable. To what extent does your sector and/or organisation's housing delivery contribute to that target?
2. Are there any specific London Plan policies or guidance that impact on your ability to start and finish housing developments? What changes or updates could be made to the London Plan to help speed up delivery of housing development, without compromising on quality, environmental impact and affordability?
3. Do any other aspects of the current planning system in London impact your ability to start and finish housing developments, and would you like to see any specific changes to improve the process? Please feel free to refer to the new NPPF proposals if relevant.
4. What are the primary barriers you encounter in securing funding and investment for development projects in London?
5. Are councils sufficiently equipped to maximise high quality affordable housing delivery?
6. Are developers sufficiently incentivised to build out planning permissions quickly?
7. What additional support or resources from the Mayor and central Government would most effectively help you overcome development barriers, in particular to build more affordable housing?
8. Do you plan to continue developing homes in London?



Be First/London Borough of Barking and Dagenham's response to the GLA Call for Evidence: Unlocking housing development in London

10 September 2024

Thank you for providing the opportunity to input into the Call for Evidence. Be First, on behalf of Barking and Dagenham Council, have responded to the key questions identified.

1. There is an identified housing target in the London Plan of 52,000 new homes per year until 2029, half of which should be genuinely affordable. To what extent does your sector and/or organisation's housing delivery contribute to that target?

The scale of opportunity in Barking and Dagenham is incomparable; it is London's growth engine. It is one of the few places in London able to offer the quantum of land to deliver 2,000+ homes, not just at Barking Riverside but also at Thames Road, within Barking Town Centre, and near Dagenham Dock (with major developments coming forward such as Beam Park and the Former Ford Stamping Plant). This is significant given that Molior calculates such sites account for less than 1% of identified developable land in London.

In its capacity as a planning authority, the Borough has granted planning permission for 27,759 homes since 2017/18. Its Local Plan identifies a housing requirement of 38,864 homes by 2037, with an expected supply of over 40,000 homes already identified for the same period (excluding the recent Barking Riverside uplift planning application of an additional ~13,000 homes), and there is a long-standing political commitment to deliver at least 50,000 homes. Be First's Planning Development Management Team, which undertakes statutory services on the Council's behalf, is ranked number one nationally and it has achieved a 100% record for on time planning application decisions, both major and minor for the past three years. This offers planning certainty to both developers and investors, further compounded by the Borough shortly having the country's most up-to-date Local Plan, with adoption scheduled for Council Assembly on September 19. These factors are key to encouraging private sector delivery.

In its capacity as developer LBBD has, via its wholly owned regeneration agency Be First, delivered or is the process of completing 3,633 homes across 20 sites, of which 80% are affordable. Between 2020 – 2024 1 in 5 of all affordable homes built by councils in London were built in Barking & Dagenham, making Be First one of the largest

affordable housing developers in the UK and the equivalent size of a medium sized housebuilder.

Barking & Dagenham Council, and Be First, have proved both our ability to deliver homes at pace and at volume, and our willingness to encourage growth through third party delivery. This has been driven by a strong pro-growth political leadership, supported by the can-do, delivery-focused attitude of Be First. This, combined with the political alignment of the Council, the GLA and central Government, the scale of opportunity in the Borough, and the steady forecast returns for rental growth, should mean Barking & Dagenham is given priority growth status and associated support, utilising existing governance structures to deliver quickly on the pan-London and national growth commitments around housing.

2. Are there any specific London Plan policies or guidance that impact on your ability to start and finish housing developments? What changes or updates could be made to the London Plan to help speed up delivery of housing development, without compromising on quality, environmental impact and affordability?

Be First officers work closely with developers to enable the delivery of housing. This pro-growth approach has, however, been hindered in instances of proposals for colocation. Despite colocation policy being encouraged in the London Plan, it has been difficult to achieve in practice due to the current London Plan's prioritisation of industrial land uses and designations. The result of these competing priorities is significant delays to gaining planning approval at the GLA referral stage for proposals that involve housing, even in cases where there has been a 'resolve to approve' by the Council's Planning Committee. We fully appreciate the value of industrial land and are supportive of ensuring there is enough within the Borough to meet our job and economy needs, however if colocation is to be utilised successfully as a tool to unlock housing, the current policy balance and prioritisation on industrial land in the London Plan needs to be reconsidered. Discussions with GLA officers have pointed to a potential strategic approach to London's industrial land, and scope to use this as a pilot for sub-regional working, focusing on Barking and Dagenham. We welcome these continuing discussions.

Similarly, policy on the safeguarding of waste facilities should also be reviewed as the focus on re-provision can act as a barrier to the delivery of housing. In the same vein as the above, we are supportive of ensuring need is met, however, the rigidity of the existing London Plan policy framework effectively works to prevent the more efficient use of industrial land and does little to address low quality, not fit for purpose industrial uses. We have also found the policy to lack clarity, both in terms of how sites can be released and the extent to which other boroughs must be helped to meet their waste apportionment before releasing land (or how this should be prioritised).

Overall, existing policies regarding the use of safeguarding land for industrial/waste facility purposes are ambiguous and mean that there is a lack of clarity around what is required of local authorities. We have found this despite using a plan-led process for release. More importantly, using policy to prevent the release of land for more efficient

use fails to recognise the need to balance the multiple objectives of the London Plan including providing housing, high quality employment lands and more efficient use of industrial lands, and effectively preventing the regeneration of dilapidated areas, maintaining the existing inequalities between east and west London.

We would welcome greater policy clarity on the release of industrial land for housing; a greater acknowledgement of the need to balance objectives of the London Plan; and a more positive and flexible approach to the delivery of colocation in order to make more efficient use of land.

Finally, we are mindful that policy alone is not going to resolve London's housing issues. Amendments to the London Plan will take a significant amount of time to complete. While these amendments to the policy framework proceed, we would also advocate for other, more immediate measures that unlock the capital flows needed to support delivery. The GLA could utilise existing governance structures- such as delivery agencies like Be First- to drive forward public to private and public to public partnerships. This could take the form of initiatives like supported borrowing, backed by (sub-)regional governance and ring-fenced to economic growth and housing delivery, investment guarantees, and targeted revenue funding for sub-regions with growth ambitions. We would welcome discussing this in more detail with the GLA.

3. Do any other aspects of the current planning system in London impact your ability to start and finish housing developments, and would you like to see any specific changes to improve the process? Please feel free to refer to the new NPPF proposals if relevant.

The GLA's implementation of its approach to industrial land significantly slowed progress on Thames Road, an identified Transformation Area that will ultimately provide 3,500 homes (see also our response to Q2 above). As set out in our response to Q1, we welcome continuing discussions as to what a strategic approach to industrial land across London might look like, to help prevent such issues arising in the future.

It is also important to note the huge impact of building safety requirements on development. This has significantly reduced housing associations capacity for new stock, limiting partners for third party developers who build new affordable housing. Additionally, while as a planning authority we have adopted a very pragmatic approach to things like second staircases, some third party developers are facing a complete scheme redesign because of the impact, e.g. of the number of flats per floor. One developer in the Borough, for example, has costed this redesign at £2m.

However, as set out in more detail in the final paragraph of our answer to question 2, we do not consider planning policy alone can deliver more housing. We urge the GLA to adopt an approach that introduces measures which can have a more immediate impact while twin-tracking policy changes. These measures can draw on existing expertise and governance structures within London, alongside consideration of ways to support further public sector borrowing and/or give comfort to private sector finance, with the aim of facilitating delivery now.

4. What are the primary barriers you encounter in securing funding and investment for development projects in London?

The fallout of macroeconomics, including councils issuing section 114 notices, means that that we are operating in a more cautious borrowing environment than pre-September 2023.

Prudent decision-making has meant that, through Be First, Barking and Dagenham Council has directly delivered 3,633 homes (including 80% affordable), alongside innovative commercial schemes such as the film studios (1,800 jobs and £35m annually to the local economy) and Industria, an award winning stacked industrial scheme. The Be First housing portfolio has delivered a return of well over 5%. However, regardless of current macroeconomics, the scale of opportunity within the Borough is such that it is not reasonable to expect the Council to be the sole, or even the primary, funder for ongoing regeneration.

Be First has been engaging with potential partners, notably patient capital investors, with a view to securing joint ventures to continue economic growth and housing delivery in the Borough. While these conversations are positive, the hurdles for investment partners are such that targeted public sector financial support is required. This is particularly the case for London, which is competing with the returns offered to patient capital in single family homes in the regions. Zoopla's quarterly data from June 2024 showed that rental growth in inner London boroughs is at best stagnating, but in outer London- and it specifically noted Barking and Dagenham- rental growth is strong at 10%. While values are lower, this level of growth is attractive to patient capital who want a steady return on their investment.

The 'wins' in terms of economic growth and housing delivery in Barking and Dagenham are significant. As highlighted in our response to Q1, we are pro-growth, have the most up-to-date Local Plan in the country, and Be First has a proven track record of delivering award-winning schemes at pace. In order to continue this- there is only a finite number of "shovel ready" schemes- the public sector needs to introduce targeted measures that encourage and support public to private (and public to public) partnerships.

The GLA could utilise existing governance structures- such as delivery agencies like Be First- to drive this forward in proven areas of growth ambition like Barking and Dagenham. This could take the form of supported borrowing, backed by (sub-)regional governance and ring-fenced to economic growth and housing delivery, investment guarantees, and targeted revenue funding for sub-regions with growth ambitions, We would welcome discussing this in more detail with the GLA.

5. Are councils sufficiently equipped to maximise high quality affordable housing delivery?

Being sufficiently equipped is open to interpretation. Barking and Dagenham has a well established governance structure for delivering and then managing affordable housing via Be First, its wholly owned regeneration agency, and Reside, its wholly owned housing

management company. The Borough has a stellar reputation for high quality, award winning delivery at pace via Be First, and its planning policy framework is up-to-date. Economic forecasts for the Borough's rental growth are amongst the highest in London, albeit starting from a low base. Barking and Dagenham, as a Council, is also pro-growth and approves a large number of dwellings. The ingredients for maximising high quality affordable housing delivery are established, and can be utilised working sub-regionally and in collaboration with the GLA and private patient capital investors. However, this requires more than planning policy changes and funding or other delivery mechanisms.

As noted in our responses to previous questions, we would welcome discussing proactive measures to support further targeted public sector borrowing and interventions to offer the certainty required by patient capital investors. If affordable housing is to continue to be delivered at scale, access to increased grant funding for local authorities is a necessity, alongside the other financing opportunities mentioned above. Acknowledging the Council's statutory role in the planning approvals process, it is also important to consider the constraints in securing private sector delivery of affordable housing. Whilst planning approval rates for housing in the Borough are high, it is still challenging to obtain high proportions of affordable housing from third party developers. London Plan and Local Plan policy is supportive, but viability and competing priorities remain a challenge in the negotiation process.

6. Are developers sufficiently incentivised to build out planning permissions quickly?

We are of the view that the public sector has a critical role to play in driving development forward. The challenges facing development currently are significant- build costs, building safety regulations, the asks on development in terms of affordable housing, infrastructure provision, carbon offsetting and biodiversity, to name a few.

GLA figures published in May showed that affordable housing starts 2023/24 had dropped from 25,658 in the previous year to just 2,358. This is stark.

Many developers, including Council-led developers- are looking to work collaboratively with patient capital to fund development. Accessing this type of finance requires establishing certain conditions, minimising risk. This is not without its challenges given the nature of regeneration and development.

The public sector, led by the GLA and working collaboratively with other growth-focused agencies like Be First, and in areas with proven growth ambition, like Barking and Dagenham, can provide the support and certainty to the private sector to build out planning permissions, and secure new planning permissions to ensure resilience in the pipeline. As noted in previous responses to the questions, incentivising this could take the form of supported borrowing, backed by (sub-)regional governance and ring-fenced to economic growth and housing delivery, investment guarantees, and targeted revenue funding for sub-regions with growth ambitions. We would welcome discussing this in more detail with the GLA.

7. What additional support or resources from the Mayor and central Government would most effectively help you overcome development barriers, in particular to build more affordable housing?

We welcome ongoing discussions with the GLA around a sub-regional, collaborative approach to housing delivery, designed to facilitate public to public and public to private partnerships.

In relation to policy, we suggest a pragmatic approach to redevelopment on industrial land, and would welcome further discussions around piloting a more strategic approach to its use across London.

8. Do you plan to continue developing homes in London?

Yes. However, macroeconomics have changed and it is not realistic for Barking & Dagenham Council to be the sole, or even the primary funder, for the scale of economic growth and housing delivery in the Borough. Barking & Dagenham should be given priority growth status and associated support, utilising existing governance structures to deliver quickly on the pan-London and national growth commitments.

Call for Evidence: Unlocking housing development in London

- 1.1 Berkeley Group welcomes the opportunity to respond to the Call for Evidence issued by the London Assembly Planning and Regeneration Committee.
- 1.2 With a portfolio of 38 major regeneration sites in London we are the largest investor in housing delivery in the city. We believe in the dynamism and potential of London as the engine room of economic growth, the centre of public life, and one of the world's leading cultural and educational hubs.
- 1.3 We are actively engaging with the GLA and Government to seek solutions to ensure London is able to deliver the homes it needs to support its population and maintain its position as a global city.
- 1.4 Berkeley Group focuses on transforming urban Brownfield sites into exceptional places, creating good green homes where they are most needed. We specialise in challenging and complex sites that are beyond the scope of conventional housebuilders. We take a collaborative approach, working with councils and the communities we serve to transform underused spaces and unlock a mix of social, environmental, economic and commercial benefits.
- 1.5 The newly elected Government has set the mission to deliver 1.5 million homes and a democratic mandate to deliver on it.
- 1.6 In response to the challenge from Government, Berkeley have set out plans as to how we can start an additional 10,000 private and affordable homes over the next five years. This plan includes taking the following actions:
 - Committing to investing more working capital into existing long-term projects to accelerate production.
 - Secure deliverable planning and statutory approvals, in order to bring 10 major new regeneration sites into production.
 - Deploy over £1 billion of fresh capital investment into a new 4,000 homes Build to Rent programme.
 - Reopen our new land investment programme having not bought a significant new site for more than 2.5 years.
- 1.7 London has a challenge ahead. Housing delivery is significantly below the level possible based on its existing capacity target of 52,000 homes per year set out in the London Plan. The draft update to the National Planning Policy Framework (NPPF) sets a new target of 80,000 homes per year based on London's housing need. Therefore, the house building sector, and government at all levels, need to work in partnership to meet this challenge head on.
- 1.8 The environment facing the industry has been hugely challenging over the last few years for a range of factors:
 - Industry is currently contracting rather than expanding with fewer people working in construction.

- Build cost rates have increased by 18% in five years. Whereas flat prices have only grown by 2.5%. In real terms taking account of inflation values have actually dropped.
- New building regulation has contributed to some of this build cost, but also to slowing down delivery and increasing uncertainty therefore decreasing investor appetite for investing in London's housing market.
- Layering of policy, building regulations and guidance has added to the cost of delivering new homes, in some cases resulting in projects delivering fewer homes, particularly less affordable housing, and using more carbon. Therefore, resulting in less efficient and less sustainable use of land in London where land is most scarce.
- Inflation and interest rate increases have impacted access to capital for both developers and buyers.
- New tax regimes including residential property developer tax (RPDT), building safety levy and the additional stamp duty for international investors.
- Community Infrastructure Levy has placed an additional burden on the viability of projects, particularly the large-scale strategic sites which also need to deliver a significant level of infrastructure on-site directly.

1.9 The series of questions outlined by the London Assembly cut to the core of the issues facing delivery in London. Addressing some of these issues through collaborative and pragmatic application of planning policy in London can help unlock delivery, and deliver the homes London needs.

1.10 We are committed to London, and very keen to work together with the GLA, Local Authorities and wider stakeholders to find a way forward.

1.11 Below are responses to each of the questions raised.

Q1. There is an identified housing target in the London Plan of 52,000 new homes per year until 2029, half of which should be genuinely affordable. To what extent does your sector and/or organisation's housing delivery contribute to that target?

1.12 Berkeley have made, and are continuing to make a larger contribution to this target than any other organisation.

1.13 We have 26 sites in delivery across London and a further 12 sites either currently or shortly to be under planning review. Through our continued partnership working with the GLA and other stakeholders we have capacity to increase our pipeline of homes and support the Mayor in meeting the ambitious targets. We recently set out plan to the new Government as to how our starts could be increased by a further 10,000 over the next five years.

1.14 However, in order to do this, we need to be able to secure deliverable planning consents. Viability is a significant challenge, and in order to be able to bring our sites into production, and consider further investment in more land, we need to be able to have pragmatic, site specific discussions on viability challenges.

1.15 Delivering policy compliant affordable housing is challenging in the current economic and regulatory environment. In order to deliver the numbers of affordable homes the city needs, the GLA need to be clear on local priorities. In some cases, this may be accepting higher density, less rigid application of design guidance, balanced approach to planning obligations, access to grant and a more flexible application of grant to bring forward affordable homes.

Q2. Are there any specific London Plan policies or guidance that impact on your ability to start and finish housing developments? What changes or updates could be made to the London Plan to help speed up delivery of housing development, without compromising on quality, environmental impact and affordability?

- 1.16 Delivering well designed good green homes is central to our business. Our commitment to quality and community is evident through our track record. We are committed to playing an active role in tackling the global climate emergency by creating low carbon, resilient homes.
- 1.17 There are areas of the London Plan and supporting guidance that directly impact on not just the speed of delivery of developments, but their ability to come forward at all.

London Plan Design Policies and Guidance

- 1.18 It is undisputed that London needs to deliver more homes, and more affordable housing, making best and most efficient use of land in sustainable locations. Embracing good urban density on Brownfield land means constructing taller buildings and making more efficient use of scarce land.
- 1.19 London Plan policies and design guidance should be updated to allow for greater density in sustainable locations, particularly on Brownfield land. Some elements of the design guidance and the London Plan policies conflict with this objective.

Design Guidance

- 1.20 The Design Guide must be updated to allow for the building of more homes on any given site. For example, dual aspect guidance is overly prescriptive and limits the number of dwellings accessed from a single core to eight per floor because it is 'desirable' both prevent building at the optimal density. This increases the cost per square metre and in doing so reduces the level of affordable housing that can be delivered.
- 1.21 Elements of the design guidance tend to make building footprints smaller and with more complicated floorplates. This increased cost of delivery, decreases space efficiency which requires not just more cost, but more carbon, to deliver fewer homes. This results in taller buildings being required to deliver the homes needed (including affordable homes), and results in viability challenges which slows down, and in some cases stalls delivery.
- 1.22 Specific issues include:

- **Dual aspect homes:** The latest London Housing Design Standards state "*New homes should be dual aspect unless exceptional circumstances make this impractical or undesirable....*". This has been interpreted by many authorities as requiring 100% of homes to be dual aspect, making floorplates smaller, and significantly increasing the length of external walls. This adds to material costs and embodied carbon, as well as increasing heat loss through external walls.

Building Regulations Part O and F address the overheating and ventilation concerns are part of the concern for single aspect homes. Therefore, the overly prescriptive application of this guidance and tight wording causes issues.

While the GLA have sought to clarify to decision makers that the Housing Design Standards is intended as guidance rather than a mechanically applied standard. LPAs continue to apply this guidance rigidly.

- **Homes per floor:** The latest London Housing Design Standards state “*The number of homes accessed by a core should not exceed eight per floor.*” This tends to make buildings smaller and, given the need for additional staircases and lifts, means the central core takes up an increasingly large proportion of the floor plate of every building.
- **Energy Efficiency:** As well as demanding a 10% improvement on building regulations for energy efficiency purposes, the Housing Design Standards also state “*Where possible, it should avoid complicated forms that increase the external surface area and therefore the heat loss of the building*”. This is in conflict with dual aspect targets and homes per floor which both increase the ratio of the external wall to the internal floor.
- **Minimum space standards:** The Housing Design Guide also seeks to make flats of all kinds larger than national space standards. This reduces the number of homes that would fit within a given envelope and tends to make housing more expensive. Given London is the most expensive part of the UK, you would expect people to trade off space for location. Therefore, where space is at a premium, flats would typically be expected to be smaller rather than larger than the national standard to improve overall affordability.

1.23 As far as we are aware there has been no studies on the impact of these policies and design guidance and no cost benefit analysis of their effectiveness and if whether what they seek to control is valued by residents.

London Plan Policy D9

- 1.24 London Plan Policy D9 should be removed. Whilst density doesn't necessarily need to imply high rise, tall buildings are needed in places to ensure that development can deliver local priorities efficiently and viably.
- 1.25 In order to regain living space from buildings with increasingly smaller footprints and reduced GIA to NIA ratios due to changes in building regulations and guidance it is often necessary to make buildings taller. Policy D9 restricts the construction of buildings more than six floors outside of designated areas.
- 1.26 Policy D9 prevents the necessary density, even around suitable locations such as transport hubs, to make sites viable preventing local authorities to support developments due to the rigid interpretation of D9's provisions. Other design policies in the London Plan and the Design Guide already provide sufficient constraints on tall buildings in unsuitable locations.

Fast Track and Review Mechanisms

- 1.27 Fast Track thresholds need to be revisited to reflect market conditions. Given the complex nature of brownfield sites, and the level of investment required to remediate the land and put in the required infrastructure to bring these types of sites forward for housing, viability is now challenging on all of the best located sites. Given current economic conditions with increasing build costs, high interest rates and new building regulation most sites now need to go through the viability tested route.
- 1.28 This adds time and cost to the housing delivery process. Increasing levels of uncertainty which reduces the likelihood of these site to come forward. Overall this decreases the real numbers of homes, and particularly affordable homes delivered. Where a focus on percentage target can limit the actual numbers of affordable homes delivered.

- 1.29 Agreeing appropriate review mechanisms is a protracted process and unfortunately it appears more and more projects are going to go through an appeal route. This significantly delays the planning process and therefore hampers the starting and finishing of new developments.
- 1.30 In order to speed up housing delivery, the process to agree a reasonable affordable housing and policy compliance level on viability grounds must be addressed.

Q3. Do any other aspects of the current planning system in London impact your ability to start and finish housing developments, and would you like to see any specific changes to improve the process? Please feel free to refer to the new NPPF proposals if relevant.

- 1.31 The reintroduction of housing target within the updated draft NPPF are helpful generally. However, given the length of time against which these housing targets will apply in London it would be helpful to see the GLA take a very positive approach to ensure London local authorities are planning positively for the target of 80,000 homes per year needed.
- 1.32 Pre-application engagement with Statutory Consultees (TfL, EA etc) could be more proactive and positive. In our experience responses from consultees often come in late in the process and increasingly include holding objections and requests for large financial contributions.
- 1.33 The timing and justification for these objections and requests delay the planning process as these issues are discussed and negotiated. Prompt responses from consultees would ensure that any impacts or required mitigation can be addressed through the preapplication process to ensure solutions can be agreed in a timely and efficient manner.

Q4. What are the primary barriers you encounter in securing funding and investment for development projects in London?

- 1.34 Berkeley Group operate on a balance sheet finance structure. This requires our projects to meet a set hurdle rate in order for us to justify to our shareholders putting these projects into production. To the extent that projects don't meet this hurdle we will return money to shareholders to be invested elsewhere.
- 1.35 Where projects are not viable at policy compliant levels access to grant funding is vital to deliver affordable housing and infrastructure. Increasing the flexibility of the grant funding programmes to allow funding to be used over a longer time frame would improve its effectiveness. Notwithstanding the need for controls to ensure best and timely use of public funds.
- 1.36 Given the complexity of brownfield sites, that hold the most potential to deliver homes and economic growth in London, flexibility is essential to be able to plan more long term, respond to market changes etc.
- 1.37 The recent indications from Government over the flexibility and use of funding are welcomed.

Q5. Are councils sufficiently equipped to maximise high quality affordable housing delivery?

- 1.38 The new Government has been clear that part of their plans for reforming the planning system includes modernising council's planning committees and supporting their planning departments with more resourcing.

- 1.39 Planning officers should be better supported to be able to confidently make decisions when considering the planning balance.
- 1.40 Economic viability is the key issue facing housing delivery in London. Planning departments are being faced with complex viability assessments and need to justify their decisions and approach to their members. Support is needed to enable councils to be able to navigate these assessments and to build trust between all parties to ensure developments are delivering appropriate planning obligations while not stalling or delaying development from coming forward.
- 1.41 To continue to attract the private investment required to put new projects into production a reasonable return on investment needs to be achievable. Developers cannot be expected to commit capital to new projects when they are not economically viable. They will be forced to return capital to shareholders to be invested elsewhere if opportunities for viable projects are not forthcoming. Councils need to be supported to have these viability discussions and agree strategies that continue to attract investment.
- 1.42 As mentioned above in relation to the LPAs application of the Housing Design Standards there are areas where planning officers need to take a more pragmatic and balanced approach to planning, both in terms of plan making and decision making.
- 1.43 Focusing on local priorities and site-specific issues should help to highlight where a balance needs to be applied. This could relate to planning obligations, balancing policy and design standards etc.

Q6. Are developers sufficiently incentivised to build out planning permissions quickly?

- 1.44 Housing delivery is the core focus of our business – in order to remain successful, continue to reinvest in our pipeline and plan for the long term, we want to build out as fast as practically achievable. Slowing down delivery and halting construction on sites is costly, impacts upon our margins and is not in our shareholders interests. These factors mean we want to build out planning permission efficiently and consistently.
- 1.45 Securing deliverable planning permissions that give us sufficient confidence to invest the substantial level of capital required is vital. Recent economic conditions have meant that build cost inflation has far outstripped house price growth meaning that continuing to direct more capital into delivery has a much higher risk. The current approach to viability assessment does not accurately consider the risk profile of development. Discussed in more detail under Question 5 and 7, the approach to viability assessment needs to be improved.
- 1.46 Additional incentives could help improve this confidence and bring some sites into production quicker. This could include reduced affordable housing levels in early phases (in some circumstances) to reflect the wider level of investment needed to bring these sites forward into production. This would be controlled by agreeing certain conditions to be met based on the project specifics.
- 1.47 Therefore, the number of affordable homes delivered early are banked for the GLA and the relevant council, but it enables the rest of the phase to generate more revenue to then help fund the extensive upfront cost required for sites of this scale.

- 1.48 Reviewing how planning obligations and financial contributions are secured on some types of development. Large scale complex regeneration projects are more suitable for the use of Section 106 rather than CIL to secure infrastructure. Given the scale of these types of projects a significant amount of infrastructure is needed either on-site or in close proximity to the site. Paying CIL, rather than agreeing contributions via a Section 106 agreement, means this funding goes into the general CIL revenue pot within the council. Section 106 would give the local community greater visibility on what funding will be spent on, which types of infrastructure in their area, and when. This also allows planning obligations to come forward in step with need, rather than being paid as an outlay at the beginning of the process with no control of when or where it is spent.
- 1.49 Investment into new Brownfield housing delivery should be treated as the long-term capital investment that it is and receive the same full expensing that other forms of capital investment receive.

Q7. What additional support or resources from the Mayor and central Government would most effectively help you overcome development barriers, in particular to build more affordable housing?

- 1.50 The Government have been clear that they are intent on reforming the planning system. In order to achieve this and genuinely address the barriers to housing delivery, Government (at all levels) need to understand that viability is part of the planning system and not something that stands distinct from it.
- 1.51 All parties need to be able to have a more pragmatic and realistic discussion on viability. The approach to viability assessment needs to take into consideration how the investment and development sector views risk. Where review mechanisms are required, these need to be based on a realistic level of return that continues to enable us to attract investment, throughout the development cycle.

Q8. Do you plan to continue developing homes in London?

- 1.52 Berkeley Group is the largest housing developer in London. We are proud of our successful track record of delivering sustainable high quality communities and continue to invest in our existing London sites.
- 1.53 In response to the Government's mission to build 1.5 million new homes over the next five years, we have committed to starting 10,000 new homes in London.
- 1.54 However, in order to achieve this, and to continue to invest in the city we need to see these barriers to housing delivery addressed. Otherwise where housing is no longer deliverable we may need to consider other competing land uses – as many other developers are doing.

UNLOCKING HOUSING DEVELOPMENT IN LONDON CALL FOR EVIDENCE

Response from: BusinessLDN, One Oliver's Yard, 55-71 City Road, London EC1Y 1HQ

Prepared by: Harry Steele, Programme Director, Planning & Development
(harry.steele@businessldn.co.uk) and Stephanie Pollitt, Programme Director, Housing
(stephanie.pollitt@businessldn.co.uk)

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INTRODUCTION

1. BusinessLDN is a business membership organisation with the mission to make London the best city in the world in which to do business, working with and for the whole UK. BusinessLDN works with the support of the capital's major developers, housebuilders and built environment consultants, and we welcome the opportunity to respond to the London Assembly on how to best unlock housing development in London.

We have only responded to the questions that are directly relevant to us.

Questions

What changes or updates could be made to the London Plan to help speed up delivery of housing development, without compromising on quality, environmental impact and affordability?

Opportunity Areas

2. There are a number of changes which could be implemented within the London Plan to support the delivery of more homes in the capital. These include changing its policy relating to Opportunity Areas (OA). OAs are identified in the Mayor's London Plan as key locations with potential for new homes, jobs and infrastructure of all types. OAs help to bring together the public and private sector to focus upon improvements in designated areas, but more must be done to utilise OAs in the short-term as vehicles for stimulating development.
3. There are 47 OAs across London which collectively have the capacity to deliver over 460,000 homes by 2041, as identified in the 2017 Strategic Housing Land Availability Assessment (SHLAA). Currently OAs are failing to meet their identified development potential within London.
4. BusinessLDN and planning and development consultants Quod are currently working on a project to explore how OAs can be better utilised to stimulate growth in the short-term, and we will share our findings with the Assembly as the project progresses.
5. We welcome the Mayor's commitment to delivering more Mayoral Development Corporations as part of his 2024 manifesto. Establishing a clear vision and direction for the regeneration of an area helps to incentivise development whilst also creating

transparency for local communities. The updated London Plan should map locations for the next generation of Mayoral Development Corporations.

Viability Guidance

6. Greater clarity is needed regarding the GLA's guidance on development viability, which was consulted on in 2023 but has not yet been formally adopted. The draft guidance which was put out for consultation was too complicated for what should be overarching strategic guidance, adding further complexity to the development process, and potentially more delay, in an environment where residential developers are already facing significant challenges.
7. Parts of the draft guidance conflicted with national planning policy and, in some instances, would introduce new policies, which is beyond the scope of the document. The proposals also wrongly focused upon the nature of applicants and development typology, an approach which would likely create overly long and complex discussions, in turn delaying development. This approach would pose a particular risk to the delivery of Build to Rent and co-living developments at a time when these uses should be supported to diversify the supply of much needed new homes.
8. In an environment where the development industry is already facing significant challenges, creating further complications during the viability assessments of developments would have a detrimental impact on the delivery of homes.

Green/Grey Belt

9. The recently proposed amendments to the National Planning Policy Framework detail plans for Green Belt allocation to be reviewed where housing needs can't be met. The proposals set out the parameters for reviewing and releasing poor quality areas of the Green Belt, referred to as the 'Grey Belt', to increase the supply of land for development.
10. Given London's limited supply of land for development, the London Plan should follow the policy proposed in the NPPF, allowing for poor quality areas of Metropolitan Open Land to be released for development. This will help increase the supply of land in London, reducing the constraints on development in the capital.

Do any other aspects of the current planning system in London impact your ability to start and finish housing developments, and would you like to see any specific changes to improve the process? Please feel free to refer to the new NPPF proposals if relevant.

Local Authority Resourcing

11. One of the most significant challenges that developers face is a lack of efficiency and reliability within the planning system. From July 2023 to September 2023, only 21% of major applications were decided within the statutory 13-week time limit, whilst the median determination period was 28 weeks¹. Those delays stem from a planning system which is being asked to take on more technical responsibilities with significantly reduced funding.

¹ An accelerated planning system, Department for Levelling Up, Housing & Communities, 2024.

12. Analysis from the Royal Town Planning Institute found that Local Authority (LA) net expenditure on planning had fallen by 43% to £480m in 2020/21 from £844m in 2009/10. This has had a direct impact on the resourcing of Local Planning Authorities (LPAs), with many no longer able to compete with private sector wages for roles similar to those they recruit for, meaning they struggle to attract and retain talent. An article from the Local Government Chronicle² found that 30% of London boroughs have less than 75% capacity within their planning teams.
13. If the planning system is going to support increased delivery of high-quality homes in London, LPAs must be effectively resourced. Whilst the NPPF consultation is asking for views on proposals for LPAs to set their own planning fees to recoup some of their depleted funding, further thought must be given to how LPAs can recruit additional resource in the short-term.
14. BusinessLDN has established a Planning Resource Taskforce, with the support of planning specialists Gerald Eve, law firm Ashurst, public sector stakeholders, including the GLA, London Councils and London boroughs, to explore the role that the private sector can play in supporting LPA resourcing. We will share recommendations from the taskforce's work in the Autumn.

Brownfield Land

15. There has been significant focus upon the need to deliver development on brownfield land, both in London and across the nation. Whilst development on brownfield land is incentivised through current policies, more can be done to support it. One potential solution is to allow full expensing of build costs on brownfield housing delivery.
16. Brownfield development is often complex and expensive, and it often generates high social value. As such, developers should be allowed to fully expense their build costs, bringing them in line with the way other capital investments are treated for tax purposes. This would help bring forward development on brownfield land and deliver high-quality housing during a time of increasing need.
17. Where brownfield land is not viable or available, Green Belt policy should be reviewed in-line with the new NPPF. That review process should encompass the allocation of Metropolitan Open Land within London. The draft NPPF outlines plans for reviewing the Green Belt and developing on previously developed areas of the Green Belt, now referred to as the Grey Belt. It is unclear what this means for London's Metropolitan Open Land, which should also be reviewed to identify areas suitable for development.

What additional support or resources from the Mayor and central Government would most effectively help you overcome development barriers, in particular to build more affordable housing?

Section 106 affordable homes

18. One of the most significant challenges facing developers in London is a decline in the numbers of affordable homes being delivered through the Section 106 process. Though a figure is not available for London, affordable homes funded by Section 106 agreements accounted for 47% of all affordable housing delivered nationally in 2022-23. Traditionally,

² Revealed: capacity and churn issues facing planning teams, Local Government Chronicle, 2023

once a development is delivered, the Section 106 homes are purchased by a Registered Provider (RP). However, increased pressure on finances due to obligations concerning fire safety, damp, mould and retrofit has meant that RPs are increasingly refocusing their capital on existing stock rather than expanding the number of homes under ownership and management.

19. The decline in the number of RPs willing to bid for Section 106 homes can result in either a development coming to a standstill if a partner cannot be secured, despite having a permission in place, or affordable homes being delivered but sitting empty until a buyer is found.
20. Pragmatic, short-term solutions are required to resolve the current situation. These could include LAs receiving the cash equivalent of affordable homes from a developer in lieu of delivery, which can then be invested into their own building programmes, or the approved list of RPs for an LA being expanded to help increase the potential pool of buyers for homes.

In addition to these solutions, bolder action is likely to be required. One possible course of action could be for the GLA to establish a vehicle, backed by institutional investment, to purchase and manage Section 106 affordable homes that cannot be sold via the normal process to provide long-term housing for Londoners. Such a proposal is currently being developed by Opportunity London and merits further detailed consideration.

City Hall Developer

21. We recently published our [report](#) on the Mayor's City Hall Developer (CHD) initiative which provides a private sector perspective on the role, function and objectives of this vehicle. Produced in partnership with PwC, with input from the GLA, the report proposes that the CHD be an additive, rather than a competitor, to the market, working with public sector landowners to identify surplus public land across London which can be acquired or jointly promoted and brought forward for future development, whilst also building on existing work to unlock sites for housing development. The CHD would assess the long-term feasibility of sites, taking them through the statutory planning process, before either releasing them to private delivery partners or retaining the flexibility to take on a more direct delivery role.
22. By taking this land assembly and promotion approach, the report indicates that, with an initial modest investment of £100m, the CHD could enable delivery of 1,600 additional new homes over a 10-year period, with the ability to leverage in additional private capital to create a bigger impact.
23. We will continue to work with the GLA to monitor and support the development of the CHD and will keep the Assembly informed of progress.

Private investment into affordable housing

24. If London is to deliver the scale of affordable housing it requires, new sources of private capital and innovative ways of providing affordable housing are needed. We are unlikely to see a significant change in approach by Government to grant allocations, meaning that public funding for affordable housing will remain limited. Private investment must therefore be effectively utilised, and this should involve attracting additional private capital into the market to maximise delivery of new affordable homes.

25. Private investment into affordable housing is not a new concept and recent models for such investment, including For-Profit Registered Providers and joint ventures, enable private capital to partner with local authorities and housing associations to deliver more homes without the use of additional public borrowing. The attractiveness of the sector to investors includes the general stability and inflation-linked nature of income streams, low voids, limited bad debts, inelastic demand due to long waiting lists, and the counter-cyclical nature of the market given demand is less correlated with economic cycles. Affordable housing being viewed as an impact investment can also enhance Environmental Social Governance credentials.
26. As more private investment comes into the affordable housing sector, it is important to ensure that the types of homes delivered are consistent with local need and that the investment is aligned to wider social objectives while providing a fair return – there is good reason to believe all of this can be achieved, and our [report](#) published in October 2022 provides more detail on the concept.
27. To support this private investment in social housing, Government should provide long-term certainty about both a future rent settlement, ensuring it is reflective of the costs that RPs are facing, and its Affordable Housing Programme (AHP). We acknowledge that an extension has been made under the current AHP for completions to 2030 which is welcome. Any new programme must ensure that money is provided flexibly to reflect the cyclical nature of development as well as the economic climate within which homes are being built. This long-term certainty would not only help attract more private investment into affordable housing, bolstering the limited amount of public funding that is currently provided, but it would also allow RPs to plan with confidence for the future, adjusting their business plans accordingly, and potentially freeing-up capital to purchase new homes.



Call for evidence: Unlocking housing development in London
August 2024
G15 Response

1. What specific challenges do developers in London encounter when developing sites, especially on brownfield land?

We consider some of the main challenges to be as follows:

- Availability of land across London and land value – G15 members have the skill set and capacity to deliver new housing but there's currently a lack of access to land at viable pricing. GLA owned land can be slow to release and procurement is an expensive and drawn-out process. To develop at scale, we need to secure sufficient land to time. To achieve this, we would like to work more closely and openly with the GLA to explore investment and enabling interventions that go beyond more traditional affordable homes programme (AHP) grant allocations. We are confident that a partnering led approach will enable us to develop new models and joint ventures, including directly with the GLA, to ensure more sites come forward faster.
- Increasing build costs – this has been a significant issue over the last 3 years.
- Lack of contractor capacity – a number of contractors have gone insolvent in recent years and many more are at risk. This has led to increased costs in completing committed schemes and has an impact on the level of available capital to invest in new opportunities. We also sometimes encounter a lack of flexibility from the Boroughs when discharging conditions and s106 obligations which were previously being dealt with by the insolvent contractor e.g. employment and skills clauses. This can lead to further delays and costs, as unfortunately we're not always able to meet these obligations in full.
- Ownership/Title complications – many sites have very complex ownership histories, and we can encounter difficulties persuading leaseholders to relinquish their property to facilitate regeneration of the wider site. The complex nature of third-party asset protection procedures, for example the Basic Asset Protection Agreement (BAPA) relating to schemes adjacent to Network Rail owned property, is a particular issue.
- Planning delays – the development industry depends upon cost and programme certainty. Delays in determining planning applications and discharging conditions can significantly impact project viability. Planning policy and GLA funding criteria can also change mid-project due to these delays. We recognise these delays are partly due to resourcing, but other issues such as the lack of timely responses from statutory consultees, also cause delays and should be addressed.
- Fire safety regulations – The building safety landscape has changed significantly in recent years, and we must respond to these new regulations, including the new rules around second staircases and Gateway 2 process. These all add time and complexity to our plans and slow down our ability to build.

- Marketing existing uses in order to demonstrate a lack of demand – there is inconsistency across London regarding the type and extent of marketing required. In our experience, the requirement to provide/re-provide commercial space at ground floor level (which often lays vacant and neither contributes to, nor activates, the street scene) also impacts scheme efficiencies and densities.
- Legal agreements (s106, s278, etc) – in our experience, agreements tend to be more complex on large brownfield sites. This can be due to site constraints associated with brownfield sites and the involvement of organisations such as Transport for London (TFL), who can have onerous requirements.
- Utility connections – the cost and time associated with securing connections can have a significant impact on overall projects costs, holding costs and speed of delivery. The West London electricity capacity issue has also had an impact on the delivery of new housing. Action should be taken to avoid this type of issue in the future.

The above challenges result in delays at every stage of developing a brownfield site and therefore have an impact on delivery and construction programmes. This negatively impacts upon the viability of development projects, notably due to inflationary pressures, hold costs and interest payments. In addition, the very nature of brownfield sites means that they can be burdened with many constraints, such as:

- Land contamination relating to historical uses – and the resulting need for land contamination investigations, remediation strategies, which can lead to additional costs and delays.
- Infrastructure, utilities and transport links – many brownfield sites do not have adequate infrastructure to accommodate residential uses. This results in increased upfront costs.
- Neighbouring buildings, types of use, size and scale, access considerations, Public Rights of Way, Rights to Light, etc.
- Heritage constraints – such as conservation areas, listed buildings and associated design considerations.
- Community opposition – managing and allaying the concerns of those opposing change to the area, often due to increased density and changes to neighbourhood and character.

Where these issues are relevant, our members unfortunately report a lack of flexibility from many London Boroughs regarding local policy requirements. There are various planning policies and design standards that cumulatively affect the capacity of new developments. Saliently, unit mix, separation distances, parking, amenity space, Biodiversity Net Gain (BNG), dual aspect requirements (particularly noting the prescriptive and onerous requirements set out within the London Housing Design Standards LPG 2023), tall building guidance, cycle parking requirements and Building Research Establishment (BRE) guidelines for daylight and sunlight all constrain development potential. In some instances, onerous Design Code requirements have compounded these issues.

These challenges are particularly prevalent in London, where design standards and guidance are prescriptive. This is highlighted in the London Plan Review (2024) expert panel report:

*‘...too few development projects can comply with the combined requirements of the multiplicity of policies in the London Plan. We also heard from the GLA that in their view there has been an **excessively mechanistic approach to applying the policies of the Plan as imperatives rather than ambitions**; to put it another way, many*

policies of the Plan are expressed as ‘shoulds’ but are being incorrectly applied as ‘musts’, thereby raising the bar for what is necessary for schemes to benefit from the statutory presumption in favour of the development plan. Applicants and local planning authorities are struggling to reconcile the multiple policy exhortations, and this is creating uncertainty and delay in the preparation, submission and determination of planning applications for residential development.’ (our emphasis).

While we understand the importance of all of these standards, the tendency is to apply policies rigidly, which results in viability issues which can stop the delivery of a project or result in reduced levels of affordable housing being delivered.

2. Would a brownfield presumption support delivery of more homes in London?

Yes, in principle, we support a presumption in favour of brownfield land to deliver new housing. The approach is in line with the current consultation on changes to the National Planning Policy Framework (NPPF) and could potentially help to streamline the planning process by making it more efficient. This could lead to more underutilized land being regenerated, particularly where land is well connected to transport infrastructure. This could make brownfield sites more attractive and provide greater certainty for developers. Consideration should be given to financial incentives and additional grant funding for brown field developments, and the presumption should reflect emerging policy advice relating to 'grey belt' land in the Green Belt and Metropolitan Open Land (MOL). Boroughs should be encouraged to review the Green Belt where they are unable to meet mandatory housing targets on brownfield sites. There is also a need to issue clear guidance regarding what exactly the 'brownfield presumption' will entail in order to provide greater certainty and maximum benefit (please see also our response to Question 3).

In addition, whilst a presumption in favour will assist with the planning process and speed of decision making, it is important to note that issues such as land contamination will continue to be a costly and time consuming to resolve. Incentives and support to assist with resolving these types of issues should be made available. This point is covered in greater detail in our responses below.

3. What are the key updates needed in the London Plan to assist in addressing the challenges raised?

Given the national housing shortage, it is important that GLA policy and guidance encourages the optimisation of housing delivery and is explicit that this can tip the planning balance in favour of approving applications that deliver new housing in London.

Noting our response to the first question, we suggest that some London Plan policy wording should be reviewed, or guidance published, making clear that flexibility should be applied by decision-makers to a broad range of London Plan and local planning policies, in order to optimise housing delivery. Other measures could also include:

- Enhanced Incentives for Brownfield development – such as expanding grants and low interest loans specifically to help offset remediation and infrastructure costs.

- A Fast Track Route – we believe there would be merit in revisiting the fast-track planning process. The current process is not achieving its purpose. Consideration should be given to streamlining the process and broadening the criteria to allow more sites to benefit. For instance, developments achieving high environmental standards. A bolder approach would be the introduction of pre-approved development templates for brownfield sites. This would help to standardise and accelerate the decision making process by reducing pressure on Boroughs' resources.
- Planning policies – greater co-ordination regarding the appropriate height of new buildings across Borough boundaries should be encouraged. There is currently great variation in approach across London. Policies should also focus on optimising site capacity rather than maximising the efficient use of land to assist with the delivery of viable schemes.
- Simplified Planning Zones – we believe this type of measure could speed up the development process on key strategic sites.
- Environmental assessments – whilst only applicable to 'major scale' schemes exceeding 150 units, the type and format of technical assessments required is the same for a scheme comprising 150 units and for a scheme comprising 500 units or 1500 units. Whilst both being a major category, technical complexities associated with a 150-unit scheme and a 500-unit scheme (or a 1500-unit scheme) are likely to be significantly different. Accordingly, the regulatory system could be adjusted to a tiered environmental assessment process, which tailors the level of scrutiny to the scale and risk of the proposed brownfield site. This could reduce lengthy procedural and determination processes resulting in improved resource management for Boroughs and lowering risks for developers.
- Collaborative Working – measures to encourage collaborative working between Boroughs, developers and the GLA. Too often the planning process is fraught with the feeling that parties are at loggerheads. Anything to make these relationships feel like partnerships would help. Reducing bureaucracy and offering more flexible and timely guidance will be key, as will having a very clear route for approval that sits outside of local politics.
- Community engagement – the GLA should consult the public extensively on the next London Plan housing requirement and provide guidance for developers when consulting the public on new schemes.

4. How does the London Plan inform and increase the development of healthy and sustainable new housing?

The London Plan informs new housing developments in several ways:

- Promoting high-quality design by setting stringent sustainability criteria such as energy efficiency standards, requirements for renewable energy use and water management. It also encourages integration of green technologies, like solar panels and rainwater harvesting systems in new housing projects. The plan also encourages the creation of a healthy living environment by emphasising good practice levels of natural lights, ventilation, open and green spaces and accessibility to key public amenities in terms of education, healthcare, social inclusion, etc.
- Additional focus on heat mitigation strategies requiring homes to be designed to remain comfortable in increasing temperatures is another element for creating sustainable homes.

- The Plan also seeks to maximise land efficiency by promoting design-led policies such as high densities and tall buildings near public transportation hubs in an attempt to protect London from sprawl and conserve the green belt. There is now a larger appetite for mixed use developments fostering balanced urban communities. For instance, inclusion of small commercial flexible workspaces in residential schemes is becoming very common.
- Whilst car free developments, especially in well performing Public Transport Accessibility Level (PTAL) areas, have been mandated for nearly a decade now, the Plan has certainly advanced on the topic of promoting active travel in the more recent years. This is not only an attempt to reduce reliance on car travels and car ownership but to foster healthier communities. The London Plan could however push for creating more car free zones across London.
- Similarly, whilst the Plans have traditionally sought and encouraged outdoor and green spaces, the incorporation of Urban Greening Factor (UGF) through measures such as green roofs, green walls and tree planting, in an effort to improve air quality, reduce the urban heat island effect and support wildlife habitats, is yet another step towards creating healthy communities.

It is important that future versions of the London Plan continue to prioritise the above and the delivery of development within sustainable locations, notably on brownfield land within the defined settlement boundaries.

However, given the pressing need for housing and in the context of the new draft National Planning Policy Framework (NPPF), it is vital that all opportunities for development are fully explored, including:

- Green Belt – the need to review the Green Belt and specifically the identification of grey belt opportunities. The proposed golden rules for such development (provision of high levels of affordable homes, new infrastructure, and access to open space) are all fundamental, welcomed elements of sustainable new communities.
- Highways/Transport – the application of policies such as requiring car-free and car-lite development, more stringent policies on improving walking and cycling infrastructure, and making active travel safer and more appealing, combined with integrated public transport improvements, will help to ensure that new housing in London is healthy and sustainable.
- Design guidance – setting out clearer active design principles to foster well designed spaces, sports facilities and connected greenways.
- Green Infrastructure – further support for green technologies and renewables.
- Health – setting out clearer requirements and parameters for health impact assessments.
- Opportunity areas – the identification of these areas has helped, but we would like to see it go further and provide clarity on what is acceptable, particularly in terms of density and heights

5. How can the Mayor and boroughs work together to support the development of appropriate sites, especially on brownfield land?

Our suggestions are as follows:

- Offering strategic coordination – the Mayor has an important role in assisting in the delivery of development sites for housing, particularly with regard to public

sector land disposal, such as GLA or local authority-owned sites, TfL holdings or surplus NHS sites. The GLA's role in creating and brokering strategic partnerships to speed up the delivery of such sites cannot be overestimated. G15 members have cited several examples of how valuable they have found this strategic coordination. However, we think this could be improved with a more joined-up approach between local authority decision making and the GLA. For example, the principle of development on such sites should be established prior to land being considered for disposal, and prior agreement on an overall scope of development is imperative. Crucially, there needs to be an acknowledgement of the challenging viability position within the capital, with spiralling build costs and higher interest rates adding significant burden to developers. This will help to establish what level of development can realistically be achieved, so that strategies and policies can be adjusted as required to ensure delivery. Additionally, a realistic and pragmatic approach to site densities will be an extremely important consideration as well as ensuring that approval routes and calling in provisions are clarified and streamlined.

- Co-ordinating infrastructure planning and investment – a cross-boundary approach is required that identifies and prioritises brownfield sites that could be unlocked through targeted infrastructure improvements.
- Reviewing and improving brownfield registers – the GLA should conduct a thorough review of existing registers to ensure the data is still valid and identifying new brownfield sites that can be included on the register. It should also undertake significant improvements to the accuracy and comprehensiveness of London's brownfield registers in an accessible, user-friendly format delivering up-to-date information on available sites, including key and technical information. This should include ownership information, key constraints, contamination and identified hazards, infrastructure requirements, and utility status. The current system is extremely out-dated and misses the opportunity to provide a one-stop-shop database, making information readily accessible by prospective developers, and speeding up processes. Introduction of an advanced digital planning tool is well overdue. This sort of tool could also be integrated with GIS mapping, policy constraints, real-time data on environmental conditions and conceptual modelling. This would undoubtedly help developers and planners to undertake better, more efficient assessments of conditions, suitability, opportunities, and viability of brownfield sites, and ultimately help to speed up delivery.
- Facilitating land assembly – mechanisms assisting developers in piecing together fragmented brownfield sites will unlock availability and deliverability. This could include the use of Compulsory Purchase Order (CPO) powers, s203 powers (relating to easements and covenants), assistance with the decant process, supplementary planning documents (SPDs), masterplans, etc. We are interested to see how the central government's plans for new towns will apply in a London context.
- Fostering collaboration and co-ordination – such as Public Private Partnerships (PPP) where public bodies, private developers and housing associations can share resources, risks and benefits leading to more joint ventures for holistic and sustainable development where housing development is supported with appropriate infrastructure development. Improved inter-governmental coordination could also help harmonise London Plan and Local Plan policies and streamline processes (e.g., referral and call-in processes) specifically for brownfield development.
- Creating centralised planning teams (preferably within the GLA) – that are specifically tasked with fast-tracking large-scale or complex residential led

schemes including those on brownfield sites. These teams could work closely with local authorities to resolve planning issues more efficiently.

- Increasing planning policy flexibility – as identified in responses to previous questions, we think that a more pragmatic approach to the application of policies is required in order to unlock development sites. The London Plan policy wording should be reviewed, or guidance published, making clear that flexibility can be applied by decision-makers to a broad range of London Plan and local planning policies, to optimise housing delivery. It is also vital that all opportunities for development are fully explored, particularly in light of the current NPPF consultation, including collaboration with London Boroughs.
- Reviewing s106 Agreements – simplify the process for schemes on brownfield sites e.g. standard London-wide templates for certain types of scheme.

6. What other policies could be implemented by the Mayor/GLA to influence the speed of housing development, including on brownfield land?

Our suggestions are as follows:

- Increasing the speed of decision making – we have highlighted previously that delays in the planning process impact on the construction programme of projects, and this must be considered when assessing project viability. In our experience, this is predominantly a failure to determine within statutory timeframes, mostly attributable to delay in responses from the local planning authorities and other consultees within the Council. We understand this is largely due to resourcing issues. Section 106 agreements, in particular, can be protracted to negotiate. Consideration should be given to allow wider delegation over planning decisions, avoiding duplication of process and conflicts between GLA officers and the Boroughs.
- Greater use of call in powers – notwithstanding the above, we would like to support the GLA in taking a stronger lead by using its powers to resolve more permissions more swiftly. This could be through earlier, closer and more project specific engagement as well as the more frequent use of its powers to call in applications.
- Improving the pre-application process and Planning Performance Agreements (PPAs)
 - We often rely on entering into costly PPA to assist with resourcing of our planning applications, but often the agreed PPA timeframe is still delayed. In our experience, pre-application/PPA costs often far exceed the planning application fees, with developers already paying over double the costs for local planning authority services. We would welcome a commitment from the GLA to exploring how it can support LPAs to determine planning applications within a timely manner in accordance with statutory timeframes, and PPA timeframes where necessary.
 - It would be valuable for London planning authorities to have some consistency over how pre-applications and PPAs are costed (either through a cost per unit, or potentially a calculation based on expected officer time) and the level of service to be provided. For instance, the GLA could consider the publication of best practice guidance for London Boroughs covering pre-app and PPA services.

- Implementing a presumption in favour of brownfield development – this will ensure consistency with the new NPPF amendments and ensure a positive starting point for schemes on brownfield sites.
- Join us in making the case to central government for reforms to the Affordable Homes Programmes (AHP) to:
 - extend the length of the AHP to take into account wider regeneration timescales,
 - allow the flexible use of Recycled Capital Grant Fund (RCGF) e.g. greater number of permitted uses and increased flexibility regarding timescales.
 - Tax incentives on certain sites – we appreciate that this may be outside the control of the GLA, and therefore urge the GLA to make the case to central Government for change to help deliver the homes that London needs.
 - Certainty over rental income – as above, we realise that this is outside of the control of the GLA, and therefore urge the GLA to lobby the Government for the proposed rent settlement.
- Introducing a more flexible approach to land use – in particular this could cover a) establishing land use on site and b) the ability to change use of land specifically on registered brownfield sites for housing delivery. In general, the current policy approach at London Plan level and at Borough level is onerous where a change of use results in some loss or net loss; releasing brownfield sites for housing delivery usually get bound by lengthy marketing exercise requirements (12 months minimum and in some cases, up to 24 months) and market demand and viability requirements. This causes significant delay in bringing sites forward.
- Launching pilot projects – launching pilot projects on select brownfield sites to test and monitor new innovative approaches to housing development e.g., zero-carbon homes. In the event where an innovative concept should be successful, it could be used to scale up London wide.
- Grant funding - provide clarity on grant provision as early as possible and a grant process that takes into account the long lead in times for these projects,
- Greater collaborative working – Work more collaboratively with utility providers and TfL to assist in coordination and help fund necessary infrastructure upgrades that align with planned housing developments.
- Introducing Simplified Planning Zones – as mentioned previously, these zones should be considered for speeding up the delivery of major developments and those on key strategic sites.
- Greater partnership working – a more balanced approach to partnership with clear, simple and appropriate rules is needed. This could include self-certification, or conditionality on aspects of design and quality quickly becoming a standard approach. This will allow greater certainty regarding the level of grant funding and speed of delivery.

7. What can the Mayor do to help mitigate the costs and processes that impact the financial viability of development projects in London, including the remediation of contaminated land?

Our suggestions are as follows:

- Grant funding –
 - the speed of decision making around affordable housing grant awards by the GLA has at times been detrimental to new schemes. Delays to contracts can have a serious impact on costs, given the current inflationary environment.
 - The evaluation process could also be simplified; for example, the net present value of a completed scheme where a large volume of affordable rented homes is being delivered, is perhaps not a good indication of scheme viability. Amendments to grant rules should also be phased in, noting it is too late for sites in ownership to absorb significant cost increases through land price adjustments.
 - The structure of the grant programmes creates deadlines that can impact viability through cashflow. For example, delivering all the affordable homes first to meet the longstop, pushes out the private handovers, adding to the interest burden and leading to unviable margins. This issue is most likely to impact upon large scale delivery (500+ units). Scheme specific Practical Completion (PC) longstops might be a suggestion. The introduction of Gateway 2 has also not helped the schemes fit within set contract periods: our estimate is that this process will add an additional year before start on site can be implemented.
 - Review the new approach to Social Housing Grant (SHG). Previously 100% of the SHG could be made available at the time of purchase. The grant approval is also subject to a viability process which can be drawn out. The Accelerated Funding Route (AFR) to housing grant offers some improvement in terms of funding s106 units but it is not a full solution, particularly in relation to the grant levels prescribed under the guidance for the developer led schemes.
- Streamlining the planning process – through greater use of more delegation to Boroughs with agreed parameters. There have been particular hold-ups in dealing with GLA officers in relation to energy requirements and the viability review processes. This would not be necessary if the Boroughs were given more power to apply London Plan policies.
- Incentives and support for schemes on brownfield land and/or where greater levels of affordable housing are being provided – it is important to note that G15 members, like all housing associations, have been making significant trade-offs as a result of financial challenges. The reduction in new homes development plans across the sector has been an inevitable response to financial pressures, and the need to invest in our existing homes. We therefore suggest that consideration is given to the following:
 - Logistical incentives in the form of financial aid for relocating outdated utilities and infrastructure on brownfield sites. This could minimise unplanned delays and additional costs.
 - Financial incentives in the form of tax reliefs or incentives for developers to help ease certain viability burdens and aid faster delivery on site. An incentive example could be offering financial perks for a scheme exceeding baseline environmental standards.
 - Funding for the additional reports often required when developing brownfield sites e.g. land contamination.
 - Develop more partnerships with stakeholders and provide more support in land assembly.

- Regeneration Projects – assistance with the temporary relocation of residents on small/medium and single-phase projects – such as a collaborative framework for utilising void properties between RPs and boroughs.
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Waltham Forest Town Hall
Fellowship Square
701 Forest Road
London
E17 4JF

London Assembly: Planning and
Regeneration Committee

**Call for Evidence: Unlocking housing
development in London**

28 August 2024

planning.policy@walthamforest.gov.uk

SUBMISSION FROM LONDON BOROUGH OF WALTHAM FOREST

1. There is an identified housing target in the London Plan of 52,000 new homes per year until 2029, half of which should be genuinely affordable. To what extent does your sector and/or organisation's housing delivery contribute to that target?

In response to growing demand, in the last decade, the London Borough of Waltham Forest have built over 9,000 homes, 2,916 of which are affordable. Since 2011, the borough has met 93% of its average housing target, which is higher than the London average of 88%. We have built the widest range of homes anywhere in London since 2011, with 35% at either intermediate or social rent. Over 1,500 households that were formerly on the Housing Register now have an affordable home.

We intend to continue this delivery record. Despite unprecedented challenges, the Council already has credible plans for how it will deliver more affordable housing. The spatial strategy set out in Part 1 of our Local Plan, adopted in February 2024, establishes an ambitious but deliverable housing target for the borough, exceeding the London Plan requirement. The supporting Infrastructure Delivery Plan identifies how the infrastructure needs will be met in tandem with the housing growth.

The adopted Local Plan seeks to prioritise the delivery of affordable housing and has set a strategic affordable housing target of 50% across the Plan Period. A range of affordable housing tenures is supported by the Plan to maximise delivery prospects, and the Plan also seeks non-traditional forms of housing (Build to Rent, student housing and shared housing) to create a vibrant and diverse housing supply.

In line with our Exemplar Design principles, we are also committed to the securing the highest design quality of new schemes. Exemplar Design – including urban greening, good build quality, and long- term maintenance of existing stock – will be critical for delivering and maintaining the housing that meets our residents' needs and tackling the climate and biodiversity emergencies.

To help facilitate delivery of housing, the Council promotes the use of bespoke Development Performance Agreements (DPAs), which are bespoke to each proposal and can cover the full development process from strategic planning through to delivery and produces masterplans and planning guidance for sites with the greatest growth potential (please see, for example, the recently adopted (July 2024) [Leyton Mills Supplementary Planning Document \(SPD\)](#)).

To strengthen the evidence-based approach to housing delivery, we brought together the Waltham Forest Affordable Housing Commission, a group of independent experts providing strong academic, policy and sector-based expertise. The Commission published its [final report](#) in July 2023 recognising the borough's success so far and advising on how to tackle the changing context of affordable housing delivery.

Following the Commission, we have recently published a new [Housing Strategy](#), [Housing Delivery Plan](#), [Homelessness and Rough Sleeping Strategy](#), [Homelessness and Rough Sleeping Strategy Delivery Plan](#) and [Housing Compact](#), setting out how we will work in partnership with housing associations.

As set out in the Government's current consultation on proposed changes to the National Planning Policy Framework, the new standard method would give a need for 2,409 new homes per year in Waltham Forest. Thanks to our ambitious and evidence-led plans, we have identified capacity to meet this new need figure over the next ten years.

It is however, really important to note that our ability to deliver these homes is reliant on investment in the delivery of key infrastructure, like a new hospital at Whipps Cross and Walthamstow Central Station enhancements, as well as securing the capital funding needed to deliver key Housing Estate regeneration projects like Avenue Road and Montague Road

2. Are there any specific London Plan policies or guidance that impact on your ability to start and finish housing developments? What changes or updates could be made to the London Plan to help speed up delivery of housing development, without compromising on quality, environmental impact and affordability?

Our Local Plan is in general conformity with the London Plan, and on the whole we consider it a successful strategic plan. Our collaborative work with the GLA on a plan-led approach and two stage industrial masterplan for the [Blackhorse Lane Strategic Industrial Location \(SIL\)](#) is a successful example of how the London Plan's industrial policy can be applied innovatively to secure new homes and other uses, whilst also ensuring the industrial capacity both Waltham Forest and London need can be delivered in the most suitable and sustainable locations.

The absence of a London Plan strategic policy on the Epping Forest Special Area of Conservation means it is left to local authorities and the Conservators to demonstrate that new housing will not result in harm to this recognised protected European site as a result of recreational pressure or air quality. The London Borough of Waltham Forest worked in close collaboration with Natural England, neighbouring boroughs and the Conservators of the Forest to ensure this was successfully addressed through our work on Local Plan Part 1. However, this remains an ongoing strategic planning issue for London, so guidance and clarity in the London Plan would be welcome, especially if housing requirements increase in line with the current NPPF consultation.

There is also a need for new London-wide evidence on air quality and flood risk to show, as the Waltham Forest Local Plan does, that well planned, inclusive growth is part of the solution to improving air quality and reducing flood risk across the capital. Without this strategic evidence, there is a risk that these matters could delay good growth and much needed housing delivery.

Energy networks and digital infrastructure should also be addressed as matters of strategic priority in the new London Plan, given their vital importance in ensuring growth and housing delivery is sustainable.

3. Do any other aspects of the current planning system in London impact your ability to start and finish housing developments, and would you like to see any specific changes to improve the process? Please feel free to refer to the new NPPF proposals if relevant.

As an outer London borough that has seen significant growth in recent years and has huge potential to deliver further, inclusive and sustainable growth, the London Borough of Waltham Forest is supportive of the new Government's clear commitment to housing delivery and the scale of their ambition. The GLA and the London Plan will have an important role to play in implementing the planning reform proposed in their current consultation on proposed revisions to the NPPF. In light of this, a roadmap setting out the timeframe for review and revisions to the London Plan and supporting guidance, and when they are expected to come into force, would be welcomed.

5. Are councils sufficiently equipped to maximise high quality affordable housing delivery?

No - the financial challenges facing local authorities are well known. Between 2010 and 2019, core funding received by London boroughs fell by 63% - reducing spending power by 29%. This has forced a shift to protecting statutory services at the expense of discretionary but still important services, such as regeneration and development. Research from London Councils shows that over the last nine years, only Adult and Children's Social Care departments have seen an increase in expenditure. On average, London boroughs now spend almost 60% less on Planning and Development Services. Additionally, the instability of grant funding for affordable housing and increased borrowing costs makes accelerating the delivery of more genuinely affordable homes challenging.

Reduced funding has major impact on the capacity of planning departments and their ability to retain talent and particularly affected the ability to work proactively. Our innovative Development Performance Agreements (DPAs) (see answer to Q 1 for more detail) can benefit both the developers and the local planning authority, but cannot replace core funding necessary to provide a reliable planning service. This is a particularly acute problem during complex viability negotiations.

Temporary Accommodation: London is at the heart of a national housing crisis. Since the 1980s, councils have had to sell off their housing stock through Right to Buy but have been unable to replace these homes at the same rate due to Treasury rules. This has led to:

- A significant reduction in council housing, contributing to a rise in homelessness.
- Increased reliance on expensive temporary / emergency accommodation as their own housing stock reduces year on year.
- Ever increasing budget pressures as demand far outstrips supply.

Since the Homelessness Reduction Act in 2018, the average number of households approaching Waltham Forest Council for housing advice and assistance each year has been

2,635. Despite the demand for homelessness services, the use of temporary accommodation has reduced dramatically over the last five years from 2,235 in March 2018 to 878 in March 2023. However, current supply and demand pressures are now threatening this record, with over 1,200 households currently living in temporary accommodation. We try to give as many residents that turn to us a permanent home as we know temporary accommodation doesn't give residents the secure housing they and their families need or deserve.

Direct delivery: Constraints on Waltham Forest's finances, particularly the Housing Revenue Account (HRA), mean additional external funding is needed to make our priority Housing Estate regeneration programme viable, even with significant GLA grant (for further detail, please see our response to question 7).

Inflation and global financial uncertainty threaten the viability of new affordable housing schemes. Coupled with the investment required in the borough's existing stock to meet safety standards and net zero commitments this could limit funding for new homes.

6. Are developers sufficiently incentivised to build out planning permissions quickly?

No – there is no incentive to build out planning permissions quickly, or indeed on the most complex sites to secure a final decision when a resolution to grant is in place. Protracted negotiations of Section 106 agreements cause delay, but as no decision has been issued, there is no risk of the permission expiring.

The existing definition of implementation of planning permission does not incentivise developers to complete the works within a reasonable period of time either and completion notices powers are not fit for purpose. The ability to phase Community Infrastructure Levy (CIL) liability to minimise the initial payment on implementation also allows for a prolonged construction phase.

7. What additional support or resources from the Mayor and central Government would most effectively help you overcome development barriers, in particular to build more affordable housing?

Central Government Strategic Infrastructure Investment: Crucial to unlocking housing growth in our area of Outer London is having the appropriate infrastructure to support this. We would welcome a cross departmental approach from central government on prioritising infrastructure improvements, focussed on enabling Waltham Forest and other communities across the UK to fulfil their capacity for growth.

Key examples include:

- A new station entrance for Walthamstow Central station would be transformational for the local economy, provide thousands of job opportunities and support and unlock the delivery of over 4,000 new homes.
- Funding for the new Whipps Cross Hospital is paramount to unlocking growth in Waltham Forest, East London and beyond. The redevelopment programme delivers a much needed hospital and clinical benefits to patients, but also unlocks the direct delivery of 1,500 new homes on the site, half of which will be affordable (with a

particular focus on local key workers), as well as a genuinely strategic place creation that will support delivery of further jobs and homes across the rest of the borough.

Capital funding for estate regeneration: We are pleased to be working with the GLA to progress an innovative and collaborative strategic sites programme to deliver more affordable housing across Waltham Forest. This has included securing, in principle, up to £200m of grant for a portfolio of sites, including priority estate regeneration sites, council owned sites with development partners in place and a privately owned site where development has stalled. However, given the challenges faced by the London development market, there remains a range of delivery and viability issues impacting these sites, meaning that, even with this grant agreed in principle, significant work is still required to secure match funding in order to guarantee delivery.

Section 73 Affordable Housing Loophole

A planning inspectorate decision application in Thornton Heath, Croydon¹ provides a precedent for developers to use a Section 73 application to lower the amount of affordable homes they are obligated to provide. The London Borough of Waltham Forest is concerned about the improper use of Section 73 applications, which could see developers across the UK escaping their obligations, denying thousands of low-income families the chance to access affordable housing.

The NPPF should be revised or legislation introduced to ensure that Section 73 applications cannot be considered an appropriate means to reduce the level of affordable housing.

Permitted Development Rights: The use of Permitted Development Rights, which allow commercial units to be converted to poor quality, unaffordable homes without planning permission, means that potential sources of affordable housing are being lost due to insufficient oversight within the planning system. Developers exercising permitted development rights make no contributions towards infrastructure to support the new homes. A national review of permitted development rights is urgently required, informed by evidence gathered about the impacts on reduced supply of affordable housing, reduced sustainability standards, and reduced standards of amenity for residents.

Funding infrastructure: Under the current system, the successful delivery of affordable housing has a significant effect on the Community Infrastructure Levy (CIL) receipts. As all forms of affordable housing benefit from statutory CIL relief, the amount of the Levy collected reduces proportionately with increased affordable housing delivery. Although the proposal not to proceed with the introduction of the new Infrastructure Levy included in the current NPPF consultation is welcome, the financial implication of affordable housing on the funding of the infrastructure will need to be addressed at some point in the future.

Climate emergency: Housing accounts for nearly half of Waltham Forest's total emissions making it central to decarbonisation efforts. The Council, Registered Providers, and Private Landlords will need financial support from the Government and other stakeholders to deliver retrofit and net zero new homes at scale.

¹ APP/L5240/W/23/3332225

8. Do you plan to continue developing homes in London?

Yes- with the support and innovation set out in our responses above.

Unlocking housing development in London: call for evidence

Response from RHP

About RHP

RHP own and manage nearly 11,000 homes for social rent and shared ownership, across South-West London.

We were formed in 2000, and have gradually extended our reach. Today we're proud to operate across the boroughs of Richmond, Hounslow, Kingston and Hillingdon.

Last year we built 125 new affordable homes, and plan to provide more over the next three years.

Find out more: www.rhp.org.uk

Key Questions

What specific challenges do developers in London encounter when developing sites, especially on brownfield land?

- ☐ Planning capacity, delays, inconsistency
- ☐ Bureaucracy
- ☐ Land cost
- ☐ Build cost increases
- ☐ Restrictive local plans
- ☐ Utilities capacity and delays

Would a brownfield presumption support delivery of more homes in London?

- ☐ Yes, if additional resources are provided, otherwise existing developments in the planning system will slow down even more.

What are the key updates needed in the London Plan to assist in addressing the challenges raised?

- ☐ Simplify it.

How does the London Plan inform and increase the development of healthy and sustainable new housing?

- ☐ Nothing to add

How can the Mayor and boroughs work together to support the development of appropriate sites, especially on brownfield land?

- ☐ More funding for S106 outside of the 40% habitable rooms on the accelerated route – as this may not work on smaller schemes or whereby S106 has already been agreed. This could also be opened up to schemes on site.
- ☐ Incentivise & encourage RP's/ developers taking 100% affordable schemes through planning to construction.

- o Incentivise landowners such as TFL to work with RPs to produce 100% affordable housing on sites that are vacant.

What other policies could be implemented by the Mayor/GLA to influence the speed of housing development, including on brownfield land?

- o Higher grant rates for regeneration.
- o Enable a faster service for 100% affordable housing with planning.
- o Make better use of GLA assets (such as redundant police stations) for 100% affordable housing and not just sell them for best consideration.

What can the Mayor do to help mitigate the costs and processes that impact the financial viability of development projects in London, including the remediation of contaminated land?

- o Support with delays caused by other parties (e.g. utilities, Network Rail, TfL)

London Assembly	Planning & Regeneration Committee
Call for Evidence	Unlocking housing development in London
Date Response Issued	28th August 2024 Resubmitted: 2nd September 2024

Company	Social Housing Gateway
Company Status	Profit Registered Provider <ul style="list-style-type: none">- House Developers- Social & Affordable Housing Providers
Contact Person & Position	Nadiyah Dadwal CEO
Contact Details	T: 0800 233 5154 M: 075 111 58070 E: nadiyah@socialhousinggateway.co.uk
HO	5 The Quadrant, Coventry, CV1 2EL
SHG Website	Social Housing Gateway Ltd
Associate website	Propifi Bonds PLC

Questions

1. Identified housing target in the London Plan = 52,000 new homes per year until 2029. 50% of these will need to be genuinely affordable. To what extent does your organisation's housing delivery contribute to this target?

Reply

Even though Social Housing Gateway SHG is fairly new to this sector, we have direct access to a team of development experts via Propifi Capital Ltd. The in-house Development Team have extensive experience within sourcing, planning, and construction and lead on all construction projects for SHG.

For new developments, we have forecasted the following in our business plan over the next 5 years:

Proposed Pipeline: 2024 - 2029			
Newly Built Development Schemes			
Location	Total Units	Type of Units	Tentative Completion Date
North West	250	70% Affordable (including Social) + 30% Other (eg supported Assisted Living)	2025 - 2027
London	600		2025 - 2029
London & Other	200		2027 - 2029

Overall, our targets have been based around current planning policy, process and timeline however, our focus is mainly within London, and we can certainly enhance our new build targets, if planning for affordable housing is improved, to make it more accessible, incentivised, and cost and time efficient.

- 2. Are there any specific London Plan policies or guidance that impact on your ability to start and finish housing developments? What changes or updates could be made to the London Plan to help speed up delivery of housing development, without compromising on quality, environmental impact and affordability?**

Reply

One of the main issues that we have experienced across all/ any developments is planning from start to end. The issues start at pre-acquisition stage and continue even post completion.

Not only is the planning requirement different across all 33 Boroughs, it can also get quite complex and time consuming. Response timescales for basic communication to decision making or even issuing outcome reports can be very lengthy. This then further impacts on costs, particularly if certain decisions are required prior to finalising land purchase.

What changes could help

Given that the issues for affordable housing are universal across London i.e. lack of supply, the affordability challenge and the cost of building quality homes, the London Plan needs to improve its shared vision for housing growth

- a clearer and more incentivised process for developing affordable housing across London
- a pan London type approach that can help simplify the process; inline with local area needs and requirements
- need for better tenure options such as;
 - 0-9 dwellings - 0% affordable rent
 - 10 – 20 dwellings – affordable / intermediate rent
 - 21 – 40 dwellings – 20% affordable rent
 - After that 30% affordable rent
- incentivising aspects of planning costs to help increase affordable stock such as; encouraging developers to provide larger affordable dwellings (5 bed+) by applying the percentage to the number of bedrooms rather than whole dwelling. This calculation would mean that a large bed house would replace a two/three bed house

- supporting small and medium developers that are keen to build affordable homes
- early engagement between the developer and the Local Authority needs to move from being tokenistic to actual engagement (this has worsened post pandemic)
- Local Authorities should be held accountable to a time charter that forms part of the planning process, and where possible some stages should be fast-tracked such as; targets for applications that exceed time should factor negatively for LA's who request for applications to be withdrawn
- consultees who do not respond in time should not be allowed to comment outside of the consultation window
- Housing schemes approvals need to change from; starting with legals > to starting with building regs completion of first property. Time scales can change to suit size and type of project, (apt tower longer than housing schemes), and seek solutions to encourage house builders into building out approvals
- improved internal comms across Council departments, that is equally consistent and transparent in communication with the developer
- a centralised London planning hub or one stop shop that can offer training, support or guidance, updates to changes in legislation etc

3. Do any other aspects of the current planning system in London impact your ability to start and finish housing developments, and would you like to see any specific changes to improve the process?

Reply

- ☐ Proposed reforms within the NPPF and other changes to the planning system, Chapter 1 | Point 3 | e

Identify grey belt land within the Green Belt, to be brought forward into the planning system through both plan and decision-making to meet development needs;

To enable developments in more rural parts of a suburban borough, the following will also need to be considered;

- objections on any proposed developments raised by local people living in the immediate vicinity; *given the significant implications of time and cost*
- limited access or lack of good transport infrastructure and core services including schools etc; *given ongoing growth in population and subsequent demand on local services*

Other

- ☐ Registrations of planning applications is slow and tend to exceed the 8-13 week timelines, some Council's then ask you to withdraw or it will be refused
- ☐ Planning performance agreements are expensive and don't offer value for money
- ☐ Highways is a big issue during planning, their guidance and policies don't tend to align with good placemaking values
- ☐ Officers reports for Committee takes too long
- ☐ Planning committees are random, inconsistent in their tough and decision making and often refuse applications based on political reasons, rather than follow Officer recommendations

There is a significant cost to securing a consented scheme, this should be reduced for developments that include social and affordable homes. This will enable developers to consider increasing supply.

4. What are the primary barriers you encounter in securing funding and investment for development projects in London?**Reply**

- ❖ Difficulty in finding the right person to speak to regarding funding, both within Local Authorities and the GLA
- ❖ Accessing the correct guidance, the information is fairly complex and has numerous versions due to legislative or regulatory changes, which then makes accessing the information or understanding it, even more difficult
- ❖ The funding application process is very time consuming, which can directly impact the build timeline and cost
- ❖ Even though PRP's are organisations that are primarily developing affordable homes, the process for accessing grant support or other incentives is quite difficult

5. Are Councils sufficiently equipped to maximise high quality affordable housing delivery?

Reply

We have found that some Officers do not possess the required expertise or understanding in property and business acumen, which has a direct impact on their ability to:

- support developments that will enhance the growth of affordable homes, e.g. failing to consider the wider benefits to the community, environment and added value, unable to find solutions or pathways, reluctant in exploring multi-partnership arrangements such as combining affordable key worker accommodation units with step down accommodation
- strategic decision making is either absent, slow, or inconsistent
- staff turnover is high, therefore conversations or agreements in principle are lost, the process has to be repeated or no response is received
- Consultants/ specialists employed by the Council rarely respond on time
- lack of transparency
- inability to work jointly on achieving tangible outcomes due to policy constraints
- lengthy timelines
- failing to understand the increased pressure in build timelines and costs to the developer, due to the above

6. Are developers sufficiently incentivised to build out planning permissions quickly.

Reply

No

7. What additional support or resources from the Mayor and central Government would most effectively help you to overcome barriers, in particular to build more affordable housing?

Reply

Some of this has been answered in the response to question 2 (see above).

As a PRP, our objective is to increase the supply of affordable housing by building *good quality sustainable homes*.

To ensure that the development of new affordable housing schemes are inclusive and meet with the London Plan's future objective and local housing needs, we would really benefit from:

- early engagement with Local Authorities (particularly, planning and housing team), direct communication that is proactive, time efficient and consistent i.e. enable Officers to contribute to the design of new inclusive schemes within their area
- allow more applications to be determined through delegated powers
- allow appeals to make planning committees more accountable for their actions
- use external consultants as a resource for applications under a PPA to speed up the process
- once the scheme is completed, ability to place families into good quality accommodation via a long-term lease
- thus increase their access to good quality housing stock
- reduce their temporary accommodation/ priority or low income families list
- reduce the cost for re-housing tenants

Equally, we are in a position to design bespoke affordable housing schemes, built on Council owned unused land or refurbish their old buildings. Over 80% of our schemes (existing and those in the development pipeline) are offered directly to the Local Authority on a long-term lease.

8. Do you plan to continue developing homes in London?

Reply

Yes, although it will be challenging given the above so we may need to consider reducing the percentage of affordable developments, to help us balance the costs, based on changes to planning.

However, as previously mentioned, we have the ability to upscale our developments if the Government can assist with addressing the issues raised in this response.

We would appreciate the opportunity to contribute to any future discussions.