

## **Response to The London Plan: draft for public consultation, December 2017**

We welcome the opportunity to respond to the Mayor's proposed new plan for London. The draft plan is an extensive and impressive document and contains very many welcome policies that will help make London better. This response is therefore offered in the spirit of trying to help the Mayor in his duties and produce even better, more progressive planning policies.

### **Vision and strategic direction**

My Fair London is concerned with the strategic direction of our city, and in this response we limit ourselves to commenting on the fundamental policy areas covered by the plan, and particularly therefore on Chapter One.

The UK today is a very unequal society. We are more unequal than most other developed countries. Over the last 40 years wealth has become ever more concentrated at the very top. The growing gap between rich and poor is particularly stark in London. The wealth of those at the very top of our society is extreme, unfair and economically and social destructive. The World Bank, The OECD and the International Monetary Fund all now draw attention to the problem of economic inequality and its negative consequences for growth and destabilizing impacts on the economy, and on society. Our very high levels of inequality are a function of the rapid and excessive accumulation of wealth by the very rich. There is much debate about how to reverse this trend, but agreement that we need to act.

High levels of inequality are damaging to individual wellbeing and to society as a whole. Economic inequality is the engine of many of our social problems. It causes direct harm to our mental and physical health: children's educational performance is reduced and levels of trust in society decline. And there are equally damaging effects on the economy. That is why London's very high levels inequality should concern us all. The main problem is the way our economy is allowed to function, which in turn has fostered the rapid accumulation of excessive wealth by people who already have more than they need.

### **Chapter One**

For the reasons set out above we strongly support the Mayor in making fairness and increased equity his first planning policy objective (Policy GG1, A).

Inequality, and its rise since the 1970s have been driven by UK Government policy. Government's decisions to reduce the levels of taxes on the wealthy have allowed the rich, and particularly the very rich, to accumulate vast wealth. This

wealth accumulation has been particularly extreme within, and has been in part driven by, the behaviour of the financial services sector. In turn these problems are particularly extreme in London, with our economy excessively dominated by finance and business services, and with a regulatory and tax regime which has turned our capital city into a particularly attractive spot for international wealth, some of it from very dubious sources.

For London, this unbalanced economy and enrichment of the rich, has had dire consequences. In the built environment we have seen a gradual increase in the amount of space taken by wealthier people. (average dwelling sizes for the top 10% have increased markedly over the last 30 years, as space for low income families has diminished and overcrowding has risen).

This kind of economy has also undermined the functioning of our housing market, to the detriment of everyone. The purchasing power of the rich, coupled with the self-serving behaviour of financial institutions pumping credit into property markets, have driven a remarkable long-term rise in residential property prices, making private housing in London completely unaffordable for the majority of the population. Inequality therefore lies beneath London's Housing Crisis (See 'Housing and Inequality in London', My Fair London, 2017).

So while we welcome the Mayor's stated commitment to make London a fairer and more equitable city, we are disappointed not to see more commitment to action on the fundamental distributional problems (how stuff is shared out more equitably) in the rest of the document. For example in order to implement GG1, or to assess our progress towards it we would argue that the monitoring measures proposed at the end of the document (**table 12.1**) should include, as the first measure, change in the GINI co-efficient calculated for London, or a suitable alternative measure of economic equality (the 90/10 income or wealth decile ratios for example). We recognize that the Mayor's planning powers are limited, and that planning itself only gradually changes the nature of our city, but it is crucial for the future of London that we begin to measure how we are doing on economic equality.

The Mayor says that the way the Plan intends to manage growth differs significantly from previous editions (Paras 1.0.6, 1.0.7). The Mayor says the Plan will help us use the growth which is coming 'to improve the health and quality of life of all Londoners.' We hope this is the case. However we would ask the Mayor to be more explicit – to state that a fundamental intention of Plan policy is to seek to redistribute resources away from the top income and wealth brackets.

**Good growth** – the Mayor says that the Plan will help shape, and in return relies on 'good growth' to achieve his objectives for the city. But neither policy GG1 nor policy GG5 clearly define the Mayor's concept of good growth. Is property speculation 'good growth'? Is a development model predicated on ever increasing property prices 'good growth'? The cumulative impacts of this kind of growth on our city, its urban fabric and its people are negative. Is increasing reliance on international financial services 'good growth'? We would suggest

there are certain types of trading activities and speculative behaviours that are bad for the economy long-term and bad for London long-term.

Land use planning exists as a legal construct because as a society we believe there are factors over and above return on investment that should guide what, where and how things get built.

Given the importance the Mayor attaches to the concept we would ask that the Plan be amended to include a precise definition of 'good growth', perhaps based on definitions of sustainable development:

"Good growth is growth that helps to meet the needs of current generations while contributing to a more equitable, more environmentally sustainable future for generations to come."

Noting that the Mayor's planning powers are limited in this regard, nevertheless as the city's strategic planning authority, and in line with his stated commitment in policy CG1, we suggest an amendment to Policy CG5 to include a new policy commitment at A:

"To conserve and enhance London's global economic competitiveness and ensure that economic success is shared amongst all Londoners, those involved in planning and development must:

**A promote economic activity that is likely to contribute to a fairer distribution of income and wealth in the city;"**

Given London's significant dependence on business and financial services in economic terms, and given these sectors' role in exacerbating economic inequality within the city and world-wide, we question whether some of the activities within financial services could ever be considered as 'good growth'? As the main international economic bodies now agree, some of this activity is actually a drag on growth at the same time as it contributes to economic (and political) instability. London's overdependence on this sector in particular leaves us vulnerable to financial shocks. It has also tended to see public policy makers allow the interests of financial services to dominate over others.

### **Policy GG3 – Creating a healthy city**

We welcome the inclusion of a strong policy on health and health inequalities at the very beginning of the London Plan. We particularly welcome it's focus on the wider determinants of health. As a key objective for the plan, and while noting that planning policy alone is not going to have much short-term impact on human health, given the Mayor is planning for the city over the next 20 years or more we are surprised to see that there is no monitoring target relating to health inequalities in **table 12.1** . There are many measures the Mayor could adopt – we would suggest that he commit to monitoring the gap in health life expectancy between the richest and poorest areas, and perhaps set a target to see this gap reduce by more than ten percent in each of the next two decades.

In paragraph 1.3.5 the Mayor states that causes of ill-health are numerous and complex. He is right on one level, but this also disguises some basic facts. The distribution of good or poor health in a wealthy society is largely driven by levels of economic inequality. The causal chains through which inequality causes harm are complex, but the fundamental cause and effect is relatively well understood. In the 19<sup>th</sup> Century we were able to reduce cases of cholera in London, without any understanding of the microbiology or detailed causal pathways of the disease. Today we understand a great deal about how inequality causes harm. The harm flows from the size of the gap between rich and poor, and the size of gap has been rising because of increased incomes and wealth at the top of the distribution. Excessive income and wealth accumulation at the top of society is a public health problem, and must therefore be of fundamental concern to city planners. Policies that re-distribute wealth from the top across the income scale are the most direct, evidence based response to health inequalities.

[My Fair London's response to the Mayor's draft Health Inequalities Strategy is available here:

[http://www.myfairlondon.org.uk/better\\_health\\_for\\_all\\_londoners](http://www.myfairlondon.org.uk/better_health_for_all_londoners)]

### **Policy GG3, B**

We would suggest that the Mayor seek to avoid use of the term 'healthy lifestyles' as shorthand for a desire to influence human behaviour. We would suggest this wording is replaced with 'healthy lives'. As individuals our ability to make positive decisions that benefit our health is hugely constrained by the economic, social and physical environment in which we find ourselves. The notion of choice in human health is complex. The higher our status, the more resources and the more control we have over our lives, the easier it is for us to exercise any 'choice.' The lower our status, and the fewer resources we have, the harder it is for us to make long-term 'choices'.

See for example, Robert Perlman, 'Socio-economic disparities in behaviour and health', Jan 2018, <https://evmedreview.com/socioeconomic-disparities-in-behavior-and-health/>

### **A clearer vision for London**

These comments lead us to a broader general point about the plan and the kind of city the Mayor hopes it will help to build. We think the London Plan would be strengthened by a clearer opening vision of the kind of city the Mayor hopes London will become in the twenty five years. In detailed policies throughout the document we see parts of this vision, but Chapter One could set out his vision for the city more clearly.

We can see one future London of increased social and economic segregation, of fences, cameras, security guards, gated communities, extreme wealth, grinding poverty, anger, frustration, crime and degradation. A city whose people are fearful of each other, fearful for their own and their children's future, turned in

upon themselves, and suffering all the health, social and economic harms that we know inequality causes.

In the draft Plan we see elements of a different future London – a place of easy conversation, of increasing trust, of warmth, of creativity, of freedom, humour and welcome; a city where ideas are shared and developed, and whose citizens feel a sense of shared ownership over the fabric of their city. A city whose people are proud of their shared achievements, of the work they have put in together to make their city one of the most civilized, entertaining and exciting cities in the world. A city where people want to stay, to bring up their children and to contribute to our civic life. To create this kind of London, we need to do all that we can to reduce inequality.

## **Chapter 2**

The history of redevelopment and physical renewal in London is long and contested. Terms like ‘regeneration’ become loaded with meaning over time. Trust in public authorities has eroded as inequality has increased and as large parts of the population feel excluded by sight of the wealth they see around them but which is no part of their lives.

### **Policy SD10: Strategic and local areas for regeneration**

The Mayor is following recent planning history in adopting these terms, mapping poorer areas of our city and seeking to focus development on them as the solution of London’s problems of inequality. (Fig 2.19) The Plan is right that poor neighbourhoods need investment to improve the quality of housing stock, physical infrastructure, connections to other places, schools, community centres and so on. We welcome the Plan’s strong commitment to including people in planning and deciding on such schemes (2.10.3 for example). We would suggest that this commitment be elevated and explicitly included in policy, perhaps policy SD10. Regeneration continues to be a thing that is largely targeted at poor neighbourhoods, and despite the valiant efforts of many planner and local government officers, is too often felt to be ‘done to’ communities, rather than done for and with them. This draft Plan tries to address this problem and we support it for that.

But although the two are related, and unequal societies tend to have high rates of relative poverty, poverty is a different problem to the problem of inequality. We are primarily concerned with inequality. We support action to reduce poverty, for example the proposals of the London Child Poverty Alliance, but our focus is on inequality, not poverty.

However the plan is silent on the distributional consequences of regeneration, however it is achieved. Successful regeneration will tend to raise the status of a neighbourhood, leading to a relative rise in property values, and over time, the gradual exodus of poorer residents of an area. This kind of urban change is some part of the history of all cities but we should be able to manage it better.

Given our concern for the distribution of London's wealth, we suggest the plan should be amended to also include a map of the 20% wealthiest wards, by deprivation, and consider what policies are needed to that these parts of the city also contribute to our overall progress. The inequality that blights our city, and the growing gap between rich and poor, is a problem for these areas too. If we are encouraging more private housing into poorer neighbourhoods, we should at the same time encourage more social housing into wealthier neighbourhoods, otherwise the tendency of our city to segregate itself on economic lines will continue unchecked. Around the world London is known for the relative social mix of its neighbourhoods, but it is the perhaps unintended consequences of the behaviour of our wealthiest fellow citizens that is destroying this precious characteristic of the city. We therefore suggest the Mayor should come forward with an estimate of the amount of new social rented or affordable housing to be delivered in our wealthiest neighbourhoods.

#### **Policy D4 Housing and quality standards**

We welcome the Mayor's concern for space, and the minimum space standards he sets. We wonder whether he should also consider maximum space standards. In a city where some people have no-where to live, excessively large individual residential properties are very hard to justify and planning policy should resist them. Private residential pools, sauna, gyms and cinemas exacerbate separation between people of different groups and should be discouraged. If wealthy people want to swim, they should first work with their local council to help create more new public swimming pools, and so on.

We welcome the Mayor's overall attention to achieving high design quality. We would encourage his design advisors to expose themselves the expanding body of knowledge of the influence of status and inequality on how we feel and act, and how our physical environments interact with these effects.

**[The enemy between us: The psychological and social costs of inequality,** Wilkinson and Pickett, European Journal of Social Psychology  
Volume 47, Issue 1, pages 11-24, 22 MAY 2017 DOI: 10.1002/ejsp.2275  
<http://onlinelibrary.wiley.com/doi/10.1002/ejsp.2275/full#ejsp2275-fig-0002>]

We welcome policies 3.4.8 and 3.4.9 on integration and gated communities.

New developments should encourage the mixing of people from different economic backgrounds. Gated communities have no place in a fairer London. If people are worried about security they should lobby for a more equitable society (which will reduce crime and feelings of insecurity long-term) and/or support efforts to increase public revenues in support of good quality public services. The Mayor should resist the desire of wealthy populations for hypothecated spend on their own policing or security. Those most vulnerable to crime in our city are our poorest fellow citizens.

Many detailed sections of the plan help with this. We strongly support the broad thrust of the Mayor's design policies in chapter 3.

## Chapter 4

My Fair London responded in detail to the Mayor's draft housing strategy. That response is available here.

[http://www.myfairlondon.org.uk/response\\_to\\_the\\_mayor\\_s\\_housing\\_strategy](http://www.myfairlondon.org.uk/response_to_the_mayor_s_housing_strategy)

We support all efforts to increase the supply and quality of affordable housing in London.

Chapter Four is based on an analysis that London's housing crisis is fundamentally a problem of supply and demand. We suggest that this analysis is flawed. There is good evidence that our housing market has delivered a more or less sufficient supply of residential floor space over the last 30 years. What it has signally failed to do is to properly share out this space. Our housing crisis is in part therefore a crisis caused by the failure of a free market approach fairly to allocate the housing we have built. A few people are getting a lot more. Many are getting less or nothing.

The Mayor should use all the powers at his disposal to undermine investment behaviours that see housing as an asset class. A twenty year period of flat house price growth would be very good for the majority of Londoners. Population figures show we must build more housing, but more than ever we must ensure that what gets built is properly shared out. Many of the problems that bedevil housing in London flow from the behaviour of investors, lenders, and the rich. We are not convinced that the London Plan as drafted takes a radical enough approach to counter the negative consequences of the way the current property market fails to work.

Finally, although we know it is outside the scope of the London Plan itself, to deliver his ambitions for London we would encourage the Mayor to continue to lobby for powers to levy additional and reformed progressive taxes on property assets and on profits derived from increases in land value. This would be a very direct way to redistribute resources and to help make London a fairer city.

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We have the power to address London's inequality. All that is required is political will. My Fair London campaigns for action to reduce inequality and produce a healthier and happier society. Join us. Find out more at our website

<http://www.myfairlondon.org.uk>