London Plan EiP 2018/19  Written Statement

Reference ID  2763

London NHS Clinical Commissioning Groups/NHS London Healthy Urban Development Unit

M93. Is Policy DF1 justified and consistent with national policy, and would it be effective? In particular:

a) Would the policy be effective in helping to ensure the timely delivery of infrastructure to support development proposed in the Plan?

b) Is the approach to viability assessments set out in parts A, B and C consistent with national policy and is it necessary for this to be set out in the Plan rather than left to be determined at the local level?

c) Is the infrastructure prioritisation set out in part D justified?

Introduction

1.1 This statement responds to Matter 93. We ask the GLA and the Panel to read this statement together with the representation submitted by the London NHS CCGs/HUDU on 2nd March 2018.

1.2 We welcome the minor changes made by the Mayor but consider that further amendments are required for Policy DF1 to be justified, consistent with national policy and effective. Where we proposed specific changes to the policies and supporting text these are shown in bolded italics.

1.3 The GLA explained at the Affordable Housing hearing 26th February 2019 that the introduction of borough CIL has scaled back the S106 contributions sought by boroughs. This places greater urgency on the boroughs ability to take a balanced approach to the use of developer contributions and to reflect local circumstances.

Part a)

1.4 Our original representation suggested changes to DF1 part D and highlighted the funding gap for health infrastructure. It highlighted the issue of the high proportion of small sites and homes provided through permitted development that substantially limits the contributions from developers towards infrastructure while still placing demands on health and other providers.
1.5 The NHS works with the Mayor, the boroughs and other partners to forecast the infrastructure and costs required to support the projected growth and development across London. However, as raised in many representations and under other Matters there are substantial concerns that the draft plan as a whole including Policy DF1 does not enable the provision of social infrastructure in a timely manner required to support communities.

1.6 The high reliance on small sites and the objections to the methodology and deliverability give rise to uncertainty as to where much of the growth will occur which creates difficulties for the NHS and others in anticipating and planning for where and when increased demand will arise.

1.7 We note other representations have queried the definition of ‘large sites’ in Clause D. Given this is the only reference to health infrastructure within the policy we are very concerned. It is unclear whether the role of ‘large sites’ refers to their potential for in-kind contributions to be accommodated on site or monies for use to provide facilities. Given the scale of the investment required by the NHS and the proposals to increase the capacity and use of existing health sites, the preference may be for contributions to expand and increase capacity at a facility near the ‘large site’ and not on-site. Clarity and ease of understanding for developers, communities and partners is an important factor in the plan’s effectiveness. As explained elsewhere it is important that as many sites as possible contribute to the cost of social infrastructure given the scale of investment required. The plan should not imply that only certain sites may contribute.

1.8 The prioritisation of affordable housing and transport exacerbates the difficulty. While we fully recognise the urgent need for affordable housing the provision of infrastructure, to support the Good Growth Policies 1-6 should be viewed holistically and a comprehensive approach taken.

1.9 Boroughs are best placed through their Infrastructure Delivery Plans to identify the infrastructure required and phasing which will reflect the more detailed understanding of growth patterns in their area. The policy as currently drafted does not allow boroughs to take this more balanced and response approach and will therefore hinder the timely provision of necessary infrastructure.

1.10 We consider the prioritisation issue of clause D under the heading part c) within this statement, however, given our request for this to be changed Clause E should be omitted. Clause E would be unnecessary if Clause D is amended as requested and if Clause D is not amended would exacerbate the problems with this policy and the boroughs ability to take a balanced approach appropriate to their circumstances. The prioritisation of borough CILs should be a matter for the Boroughs in consultation with their strategic partners including the NHS. The prioritisation would then take place at a level able to respond to local circumstances. A generalised approach at the London level is inappropriate and
unjustified. It jeopardises the delivery of health and social care required to support growth and the overall delivery of the plan. The prioritisation of infrastructure delivery needs to reflect the pattern and pace of change that varies across London, together with resources, existing infrastructure and ability to respond to growth. It works against addressing health inequalities, a GLA priority.

1.11 This matter interplays with other matters in particular M17, 19, 51 and 52 and 94.

Part c)

1.12 We do not consider that the prioritisation in Clause D is justified. At the hearing for Matter 20 ‘Small Sites’ substantial concern was raised by ourselves, boroughs, and others including community representatives that the locations for intensification (800m of a station or a town centre boundary) often do not have the social infrastructure required to support growth. Transport for London were supportive of the Mayor’s approach with transport already being in place exemplifying that the priority for infrastructure will vary according to local circumstances often with health and other social infrastructure required as a priority.

1.13 As presently worded, clause D places the provision of health infrastructure on large sites after affordable housing and public transport improvements. We suggest that Clause D is amended to read ‘When setting policies seeking planning obligations in local Development Plan Documents boroughs should have regard to the full scope of infrastructure and requirements which may be required to ensure a scheme is acceptable in planning terms and contributes to sustainable development’.

1.14 The existing London Plan Policy 8.2 F provides clear guidance to boroughs and it is suggested that this approach is maintained in the new London Plan.

1.15 We recognise that large sites have a role in delivering necessary health infrastructure as a s106 or CIL payment in kind, however, the supporting test should acknowledge that a s106 in kind health facility provided as shell and core let to the NHS at a market rent is in fact a commercial arrangement and not a planning obligation. The importance of all sites actively considered for social infrastructure should be incorporated in other policies, as appropriate, to ensure that opportunities are not missed.

1.16 We proposed changes to the Health Facilities section of Chapter 12 including paragraph 11.1.38 to read;

“Section 106 in-kind contributions can be used to support the provision of new and enhanced health facilities, particularly in Opportunity Areas, and other areas of growth, where there is little or no existing infrastructure. Contributions may enable
the expansion and increased capacity of existing sites or may where appropriate involve in-kind contributions. Examples of in-kind contributions include: transfer of land to provide new primary and community care facilities; construction and fit-out of new health facilities; and provision of ‘shell and core’ space at peppercorn rent. Funding sources for health buildings also include direct capital from central government and private funding through a variety of public/private joint ventures. A specific fund for Primary care estate, the Estates and Technology Transformation Fund (ETTF) is in the second of a four-year programme (to 2020)."

1.17 We would also ask that the final version of the plan uses updated figures for the required investment in health infrastructure which will be available when the London Estate Board’s Health and Care Estates Strategy 2019 is published.

Proposed amendments to Policy DF1

**Policy DF1 Delivery of the Plan and Planning Obligations**

A Applicants should take account of Development Plan policies when developing proposals and acquiring land. **Development proposals should provide the infrastructure and meet the other relevant policy requirements necessary to ensure that they are sustainable and to support delivery of the Plan.** It is expected that viability testing should normally only be undertaken on a site-specific basis where there are clear circumstances creating barriers to delivery.

B If an applicant wishes to make the case that viability should be considered on a site-specific basis, they should provide clear evidence of the specific issues that would prevent delivery, in line with relevant Development Plan policy, prior to submission of an application.

C Where it is accepted that viability of a specific site should be considered as part of an application, the borough should determine the weight to be given to a viability assessment alongside other material considerations, ensuring that developments remain acceptable in planning terms. Viability assessments should be tested rigorously and undertaken in line with the Mayor’s Affordable Housing and Viability SPG.

D When setting policies seeking planning obligations in local Development Plan Documents and in situations where it has been demonstrated that planning obligations cannot viably be supported by a specific development, applicants and decision-makers should have regard to the full scope of infrastructure and requirements which may be required to ensure a scheme is acceptable and contributes to sustainable development [1) **Recognise the role large sites can play in delivering necessary health and education infrastructure; and**}
2) Recognise the importance of affordable workspace, and culture and leisure facilities in delivering good growth.

 Boroughs are also encouraged to take account of the infrastructure prioritisation in part D in developing their Community Infrastructure Levy Charging Schedule and determining the infrastructure that will be funded through borough CIL Regulation 123 list.