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L 161208 DJ City for Londoners reps



Mayor of London
Greater London Authority

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Dear Sir/ Madam,

**'A CITY FOR ALL LONDONERS' (OCTOBER 2016)
REPRESENTATIONS ON BEHALF OF MERTON COLLEGE AND THE CROWN ESTATE**

This representation has been prepared by Savills (UK) Limited on behalf of Merton College, Oxford and The Crown Estate (Merton / The Crown Estate). It is made in respect of the 'A City for all Londoners' (October 2016) document ('the consultation document') published by the Greater London Authority (GLA). Please note that additional submissions are being made by The Crown Estate on other matters, either directly or by their agents.

Merton / The Crown Estate control a substantial area of land within the GLA area, which has the potential to play a significant part in the delivery of London's growth aspirations, including housing and employment as well as supporting strategic infrastructure. The appropriate mechanism for the delivery of this opportunity is the London Plan and hence these representations which address the aspects of the plan that are of key relevance at this stage.

Merton / The Crown Estate would like to offer their broad support for the consultation document and its contents, however, they maintain a number of concerns which are outlined in this letter including:

- overall housing requirement;
- the option to undertake focussed Green Belt review in sustainable locations; and
- the potential of existing and planned transport corridors to deliver sustainable growth.

Competing and Interrelated Land Use: Housing Requirement of 50,000 houses per year (page 19)

The consultation document does not seek to set a specific housing target, however, it does refer to a need to identify land for at least 50,000 homes a year to 2041. This represents an increase of 8,000 homes per year when compared with the current London Plan target of 42,000 dwellings per annum (dpa) (Policy 3.3) and would be a housing target commensurate with that identified in the London Strategic Housing Market Assessment (SHMA) 2013 i.e. 49,000 dpa.

Merton / The Crown Estate fully support the objective of increasing London's annual housing target, however, there is strong evidence that an increase to 50,000 dpa is inadequate to meet the requirements of the capital. An elevated level of housing above 50,000 dpa would be consistent with the NPPF at paragraphs 14 and 47; the requirement to plan positively to meet wherever possible development needs, including to 'boost significantly the supply of housing'.

The London SHMA acknowledged the existing 'backlog' of housing and assessed the scenario where this was addressed within ten years. This scenario gave rise to housing requirement of 62,000 per annum. An approach that is more commonly used is the 'Sedgefield' method, which seeks to clear any backlog in five years. This is the approach used in a recent paper by the Town and County Planning Association and, using the 2012 based household projections, puts London's housing need at 87,000 per annum until 2020.

An additional methodology is that provided by Oxford Economics. This methodology adopts an employment-driven forecast that indicates an annual housing need of 64,000 dpa over the next five years. This figure though does not take account of any uplift required to address the acknowledged backlog.

In contrast to these figures indicating higher levels of requirement, Savills' analysis of the sites coming through the development pipeline over the next five years in London suggests that only some 37,000 new homes per year will be delivered. This represents an annual shortfall of 5,000 homes against the planned target and between 12,000 and 50,000 against the various independent assessments of housing need.

Whilst Merton / The Crown Estate therefore support the aspiration of the consultation document in identifying an increase to the annual housing target, the scale of the uplift is considered to be inadequate to reflect the real level of need. Given the scale of the requirement, the opportunity should not be lost for the Mayor to boost significantly the supply of housing in line with NPPF paragraph 47. The objective should therefore be to set a plan target that meets the full, objectively assessed needs, in order to address the imbalances in the housing market that have resulted from the ongoing undersupply of homes. On this basis we estimate that London should be delivering a minimum of 60,000 new homes a year.

As well as being a key change in itself, the uplift in the housing target for the review of the London Plan, also has implications for other aspects of the consultation document including the following:

- focussed review of Green Belt boundaries;
- intensifying development around well-connected existing and planned transport nodes; and
- the contribution of town centres, either existing or new, to development requirements.

Growth Locations: protection of the Green Belt (page 19)

Merton / The Crown Estate appreciate the sensitivity associated with the Green Belt policy and the Mayor has made clear his intention to protect London's Green Belt reiterating that changes to the boundary of the policy designation should only take place in 'exceptional circumstances' (NPPF, paragraph 83). Merton / The Crown Estate maintain that the level of London's housing requirement and the lack of an adequate supply of sites is sufficient to warrant 'exceptional circumstances'. The principle of this approach has recently been endorsed by the Planning Minister in relation to the Birmingham Plan.

In May 2016, the former Planning Minister used the powers introduced by the Housing and Planning Act to place a 'holding direction' on the progress of the Birmingham Plan. The purpose of the holding direction was so that the Minister could review proposals for a Green Belt review on the edge of the urban area of Birmingham at Sutton Coldfield, which facilitates the delivery of the Langley Strategic Urban Extension (SUE) a site for some 6,000 homes. On 24th November, the present Planning Minister lifted the holding direction stating that he agreed with the inspector's assessment that the scale of the housing requirement was indeed 'exceptional'. The Minister's letter goes on to state:

'... we see no ground to differ from the conclusions the Inspector appointed to examine the Plan has reached. We are satisfied that the Birmingham has taken a robust approach that is consistent with the National Planning Policy Framework.'

This very recent decision by the Minister provides a clear parallel for the London Plan. Where the level of housing need is such that it cannot be accommodated within the urban area, then a focussed review of the Green Belt is appropriate in order to make up the shortfall (in whole or in part).

Based on current evidence, the commitment to protect the Green Belt in total is premature ahead of firstly establishing the true scale of the housing and employment needs of London and secondly assessing the capacity of the urban area to accommodate those needs. By committing now to maintain the Green Belt risks compromising the ability of the new Plan from presenting a spatial strategy that is capable of meeting London's needs. This is particularly the case given that London has a very high percentage of land included in the Green Belt, amounting to circa 22% of land within the GLA area.

The approach to the Green Belt contained in the consultation document is therefore fundamentally unsustainable, as defined in NPPF, paragraph 7, as it could compromise London's ability to;

- a) ensure *'that sufficient land of the right type is available in the right places and at the right time to support growth and innovation'*;
- b) support *'strong, vibrant and healthy communities, by providing the supply of housing required to meet the needs of the present and future generations'*.

Alternatively, Merton / The Crown Estate consider that there may well be the potential to identify a realignment of the Green Belt in focussed locations that would facilitate sustainable development, for example within transport corridors (see below).

Merton / The Crown Estate propose that the approach adopted in the preparation of the Birmingham Plan, which has so recently been endorsed by the Planning Minister, should be applied in the preparation of the London Plan in order to derive the most sustainable solution for meeting the development requirements of the capital.

Growth Locations: intensifying development at Transport Nodes (page 19)

Merton / The Crown Estate support the objective of intensifying development across the city and particularly in connected locations that are well served by existing and/or planned transport capacity. Of course such development must be well-designed, but higher density development represents a sustainable solution to meeting development needs particularly where transport options exist, including sustainable modes such as bus, underground, train and cycle. This sustainable solution does also have relevance to the issue of the Green Belt and where boundary reviews are best focussed. In a paper published by London First¹ it is calculated that around 60% of London's Green Belt is within 2km of an existing rail or tube station. Equally both Crossrail and Crossrail 2 will introduce additional locational options as well as potentially improving the capacity of existing station sites.

In relation to Crossrail 2, significant work on the potential of the route to accommodate new growth has already been undertaken by the 'Crossrail 2 Growth Commission'. The Commission examined TfL's projection that Crossrail 2 could enable the delivery of an additional 200,000 homes and 200,000 new jobs. The Commission report² assessed the measures that are required to ensure *'that the right planning framework and other preparations are in place to deliver this growth'* as an essential part of planning for the scheme's delivery. Importantly, Recommendation 4 of the Commission's report is:

'The Commission recommends that the Mayor and government work with authorities inside and outside London to help coordinate a cross-border, focussed Green Belt review.'

Consistent with the Commission's recommendation, Merton / The Crown Estate suggest that the starting point for any Green Belt review in London should be a focus along existing or planned transport routes and at nodes along those routes. The focused review that Merton / The Crown Estate support would identify those areas of poor environmental or civic value that could better serve London's needs by supporting sustainable, high-quality, well-designed residential development alongside the provision of jobs and incorporating truly accessible new open space for the benefit of all Londoners.

¹ London First – The Green Belt: A Place for Londoners?

² Crossrail 2 Growth Commission, 'Delivering Growth in London and the South East' (2016).

Conclusion

A consensus clearly exists within the development community that more homes must be built in London although views differ about what level of house-building is required and how this can be best achieved.

In the consultation document, the GLA has suggested that circa 50,000 dwellings are required to meet the proposed OAN. However more recent evidence puts the figure much higher than this, particularly in those analyses that take account of the existing backlog of supply and the anticipated future growth of the London economy. A more ambitious target for house-building in London should therefore be set that reflects the most up-to-date evidence, which we say should be at least 60,000 homes.

In order to deliver growth, the consultation document prioritises re-development of brownfield land by, amongst other measures, getting surplus public land into development, improving and increasing development around transport hubs and in town centres. Merton / The Crown Estate support these measures and recognise the contribution they can make to meeting the development requirements of London. However, it is our analysis that these measures by themselves will not be sufficient to drive the level of change that is necessary to achieve target levels of housing and job growth.

Merton / The Crown Estate are therefore concerned that further options need to be identified to deliver growth and that no option should therefore be prematurely ruled out. One such option is to undertake a focussed review of the Green Belt in the manner set out in the Birmingham Plan, which has recently been endorsed by the Planning Minister. To guide such a focussed review of the Green Belt, Merton / The Crown Estate maintain that priority should be placed on identifying locations within existing or planned transport corridors. This strategy has the dual benefit of delivering growth in sustainable locations as well as focussing new development where it can best support transport infrastructure through enhanced ticketing revenue. This approach is specifically endorsed by the Crossrail 2 Growth Commission.

Merton / The Crown Estate maintain that these options need now to be properly examined in order to produce credible housing policy options for the next consultation stage of the London Plan. As the Birmingham Plan indicates, such options need to be robustly evidenced in order to demonstrate that they create truly sustainable outcomes. This is therefore work that the GLA should now undertake with its partners.

In summary, Merton / The Crown Estate request the following actions be undertaken to support the next consultation draft of the new London Plan:

- update the SHMA in order to reflect the full and up to date OAN for London;
- undertake an analysis of the urban capacity of the city to assess what level of development can be achieved from this source;
- undertake a focussed Green Belt review to identify suitable land for release and determine the development capacity of London; and
- assess the role of major new developments to assist the delivery of new infrastructure projects.

Our clients would be grateful if the matters raised in this letter could be taken into account when completing the next stage of the Plan. At the appropriate time, we would like to meet to discuss this representation in greater detail.

Yours faithfully,

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Savills Planning

cc: J. Gloag - Merton College, Oxford
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