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Job No. 2005

2 March 2018

Dear Sadiq Khan

## **DRAFT NEW LONDON PLAN:**

### **REPRESENTATIONS ON BEHALF OF DYLON 2 LIMITED AND RELTA LIMITED IN RESPECT OF HOUSING POLICY H1 AND METROPOLITAN OPEN LAND POLICY G3**

#### **Introduction**

Dylon2 Limited and Relta Limited are property development companies undertaking residential developments across London.

Following a review of the draft new London Plan, representations are submitted in respect of Chapter 4: Housing Policy H1 and Chapter 8 Green Infrastructure and the Natural Environment: Policy G3 Metropolitan Open Land.

#### **Housing Need and Requirement**

The draft new London Plan sets out a 10year housing target over the period 2019/20 to 2028/29 of 649,350 new homes, equivalent to an annualised average of 64,935 net additional dwellings (Policy H1 and Table 4.1). This c.65,000 dwellings per annum target is significantly above the equivalent contained within the existing London Plan of c.42,000 dwellings per annum. In this context the scale of ambition to significantly boost housing supply across London is broadly supported. It is fundamental that the new London Plan seeks to increase the delivery of new homes in the capital, and the increased targets will be an important component of ensuring London's Boroughs plan for housing positively.

Notwithstanding this support, on behalf of Dylon2 Ltd and Relta Limited we note the following points:

1 The target of c.65,000 dwellings per annum still falls short of the London SHMA's calculated housing need of 66,000 dwellings per annum (660,000 over the 10 years). The target is- much like its predecessor of 42,000 dwellings per annum - aligned to a notional capacity-based housing number, rather than housing needs. No effort appears to be being made to bridge the gap of c.10,000 homes (if using the GLA's own evidence).

2 The conclusions within the London SHMA (2017) underplay housing needs as the methodology employed is inconsistent with Government guidance:

- a. The GLA is unilaterally using its own demographic projections as the starting point, showing lower (for London) growth than the Office for National Statistics (ONS) equivalents which are utilised nationally for plan making. This introduces an inconsistency with the assumptions on migration that have been and will be adopted in the remainder of the South East and will most likely lead to unsatisfactory levels of unmet need.

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- b. The London SHMA also fails to fully reflect the scale of housing affordability pressures facing the area. The National Planning Policy Framework (NPPF) (para 17 bullet 3) sets out that plans should take account of market signals, and national Planning Practice Guidance (ID: 2a-020) sets out how plan makers should respond to market signals (for both market and affordable housing). The London SHMA does not follow such an approach and does not consider whether the single uplift it does apply (for addressing the backlog of housing needs) could be expected to actually improve affordability in London.

3 The scale of likely underestimate of the true level of housing need is further highlighted when the proposed target of c.65,000 is compared against the proposed Standard Method for assessing housing needs set out in the Government's *'Planning for the right homes in the right places'* consultation. If applied to London, the proposed standard methodology identifies needs as c.72,400 dwellings per annum, once the method's proposed capping mechanism is applied - this caps uplifts to 40% above either up-to-date local plans or household projections. Without any capping the need for homes in London would rise to c.95,000 dwellings per annum.

Despite the draft target not meeting assessed housing needs, limited justification is given for why the proposed targets is appropriate at c.65,000 dwellings per annum, beyond simply that they are the product of a capacity-based exercise and reflect what the GLA anticipates might be achievable within the confines of the capacity assessment that has been undertaken (see Section 3.0 below). Indeed, there is no balancing exercise of the type envisaged by paragraph 14 of the NPPF: *to meet housing needs unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits.*

The absence of this key consideration is perhaps best highlighted by the draft new London Plan's accompanying Integrated Impact Assessment (IIA). The IIA does not appear to assess any alternative housing targets; even the strategic policy options around *'delivering the homes Londoners need'* each focus on what type of housing is delivered and how, rather than overall amounts. Furthermore, the IIA's assessment of Policy H1 -a policy which does not seek to meet identified housing needs on the GLA's own evidence- appraises the policy as having long term 'Significant Positive' (++) effects (the most positive rating) against a housing objective of meeting housing need.

Dylon2 Ltd and Relta Ltd's broad support for the overall ambition is, therefore, qualified with the concern that collectively, these shortcomings could add up to the new London Plan continuing not to effectively address the housing problem across London, nor ensuring delivery of the homes where they are needed within individual boroughs.

By way of example, LB Bromley's draft target is set at 1,424 dwellings per annum, whilst the Government's proposed standard method indicates a housing need figure of 2,564 dwellings per annum. This is a significant difference. A difference which is not justified when weight is given to the 2016-based GLA demographic projections which estimate household growth in Bromley of 1,670 dwellings per annum over 2019-2029. Both of these figures show that need is likely to be higher in Bromley than is being planned for by the draft London Plan target, much the same as across London.

If London boroughs can sustainably augment their housing requirements to close the gap with local needs through their local plans, then they should. The London Plan should require boroughs to do so.

In this context, whilst Dylon2 Ltd and Relta Ltd are broadly supportive of the scale of growth being proposed, they consider that the housing requirements should be explicitly identified as minimum annual targets, with individual London boroughs required to seek to plan to exceed them through their own local plans, by undertaking the balancing exercise envisaged in the NPPF between local needs and potential housing supply from different sources in their areas.

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**Housing Delivery**

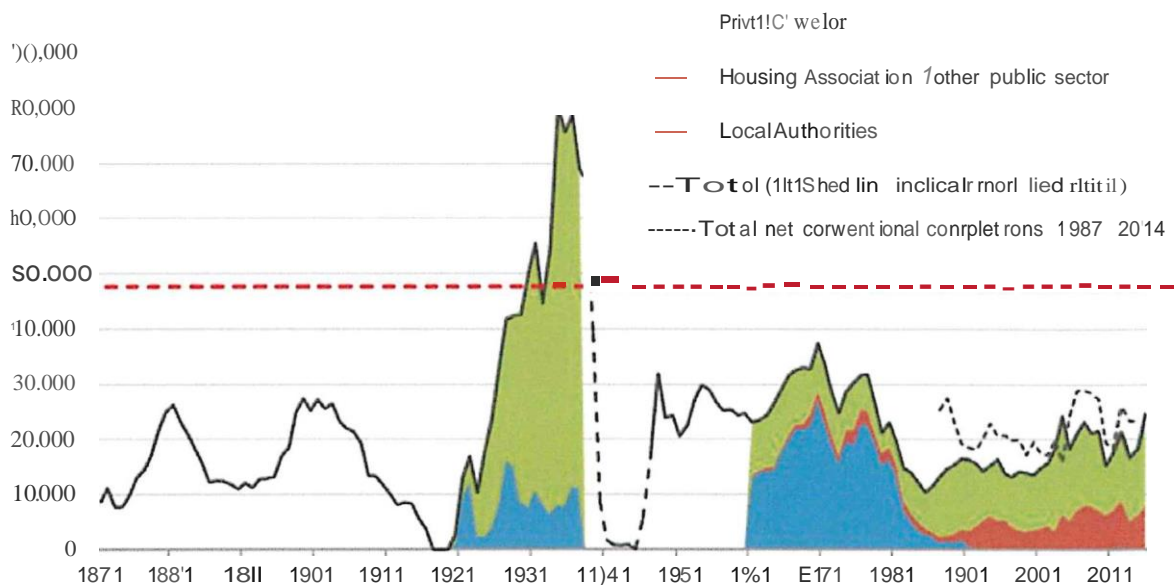
**Past rates of delivery**

The draft London Plan is planning for the delivery of 64,935 dwellings per annum, commencing in 2019/20. Based on past trends in housing delivery in London, this is clearly a very tall order to fulfil.

First, housing delivery in London has not exceeded 60,000 dwellings per annum since the late 1930's. This rate pre-dates the planning system and more importantly the introduction of policies to protect the Metropolitan Green Belt. There is no GLA evidence to suggest that c.65,000 dwellings per annum can be delivered in London in line with planning policy and within the confines of the Green Belt, particularly as it has never been achieved before, and even more particularly the draft London Plan does not allow for the alteration of Green Belt boundaries.

Policy G2 clearly states that de-designation of Green Belt land will not be supported. Policy G3 does not allow for any alterations to the boundary of Metropolitan Open Land (MOL), unless through the local plan process, in consultation with the Mayor and adjoining boroughs. The Green Belt alone makes up 22% of London's land area and this, combined with the additional area of designated MOL, is a substantial barrier to meeting housing need.

Figure 1 Estimated number of new homes built in Greater London, 1871 to 2015



Source: Figure 3.1 - Outer London Commission Sixth Report Removing the Barriers to Housing Delivery (March 2016)

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### **Lapses of permissions**

Second, to achieve this rate of delivery means that all London boroughs need and therefore should, be seeking to deliver this target starting in just over a year's time, from the 1st April 2019.

The London-specific research, commissioned by London First from Grant Thornton, - *'Fixing the Housing Crisis: Performance Indicators'* (January 2018) shows average annual completions are c.40% lower than annual permissions granted. We accept that this is not a perfect measure as it does not track the outcome of specific applications, nevertheless it confirms other data including the Mayor's *'Barriers to Housing Delivery- Update'* (July 2014) which looked at sites of 20 dwellings or more and found that only circa half of the total number of dwellings granted planning permission every year are built.

While the reasons permissions are not implemented are manifold this alone points to an irrefutable need to increase the number of permissions granted, starting now. The failure to do so will only lead to an ever-increasing undersupply of new homes to meet need, however assessed.

The draft London Plan is proposing average completions of circa double what has been achieved in recent years, a significant increase in permissions to deliver the required boost in supply will be required to meet this target taking account of the reality that a significant proportion of permissions will not materialise into a start on-site.

These applications to deliver the permissions need to be coming forward now if the requirement to significantly increase supply from April 2019 is to be in any way met. However, applications submitted now are currently being assessed against the extant targets and may not be approved because the policies intended to bring the schemes to fruition (e.g. H1 and H2) are only in draft.

### **Mechanisms for under delivery**

Finally, there is no mechanism set through the draft London Plan which would respond to the very real prospect of London failing to deliver c.65,000 dwellings per annum, starting in 2019.

The absence of such a mechanism is an important issue. As it stands, London is not planning to meet its own concluded objectively assessed need (OAN); therefore, even if the supply projections are 100% accurate, the draft Plan is already failing to plan for unmet needs of c.10,000 over the ten year period. These needs are unlikely to be met in the neighbouring councils which are already struggling to meet their own housing needs and consequently any further undersupply in London means even more needs will go unmet.

NPPF paragraph 14 requires LPAs, in plan making, to positively seek opportunities to meet the development needs of their area, with sufficient flexibility to adapt to rapid change, unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits. As set out above, the draft London Plan's policy approach has not been based on any balancing exercise of the type envisaged by paragraph 14. We consider this is a failure that needs to be addressed before adoption of the new London Plan.

Furthermore, there is no incentive for boroughs significantly constrained by Green Belt or MOL, such as Bromley, to do any more than the minimum in terms of housing delivery because there is no penalty, policy review or policy change triggered in the draft London Plan when boroughs fail to meet the minimum housing target, let alone the objectively assessed housing needs, including affordable housing needs.

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If a constrained borough cannot show a five year supply of housing land because it has failed to approve and/or allocate sufficient land to meet the draft London Plan's housing target, triggering paragraph 49 of the NPPF, as it stands not only will it not be required to grant planning permission for

applications on Green Belt or MOL land it will not be required to review and potentially alter boundaries so as to release land which may not fulfil the purposes of such designation from within the Green Belt, and/or MOL, for housing development.

In our submission this can only lead to a perpetuation of planning by appeal. In the case of Bromley, for example, c.50% of residential completions in the last five years have been as a result of being allowed on appeal. There is nothing in place in the draft London Plan to prevent this longstanding trend being perpetuated into the future. There needs to be early, unavoidable (no tactical process delays) requirements for policy review and policy change where boroughs fail to meet the minimum annual housing target for both land allocations and permissions but also delivery.

### Recommended Changes to the Plan

Reflecting on the assessment above, it is considered that the following amendments should be made to Policy H1 to ensure the policy is consistent with the NPPF and can be found sound.

(Strikethrough demonstrates a proposed deletion and bold, underlined a proposed insertion.)

#### H1

A. Table 4.1 sets the minimum annual ten-year targets for net housing completions which each local planning authority sAGHIG must plan for. Boroughs must include these targets **test and plan to exceed these minimum targets to meet housing need in their administrative boundaries** in their Development Plan documents.

B. To ensure that ten-year housing targets are achieved:

boroughs should prepare delivery-focused Development Plans which:

- a allocate an appropriate range and number of sites that are suitable for residential and mixed-use development and intensification
- b encourage development on other appropriate windfall sites not identified in Development Plans through the Plan period, especially from the sources of supply listed in B2

enable the delivery of housing capacity identified in Opportunity Areas, working closely with the GLA.

2 boroughs should optimise the potential for housing delivery on all suitable and available brownfield sites through their Development Plans and planning decisions, especially the following sources of capacity:

- a sites with existing or planned public transport access levels (PTALs) 3-6 or which are located within 800m of a Tube station, rail station or town centre boundary [35]
- b mixed-use redevelopment of car parks and low-density retail parks
- c housing intensification on other appropriate low-density sites in commercial, leisure and infrastructure uses

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- d the redevelopment of surplus utilities and public sector owned sites
- e small housing sites (see Policy H2 Small sites)
- f industrial sites that have been identified through the processes set out in Policy E4 Land for industry, logistics and services to support London's economic function, Policy E5 Strategic Industrial Locations (SIL), Policy E6 Locally Significant Industrial Sites and Policy E7 Intensification, co-location and substitution of land for industry, logistics and services to support London's economic function.

C. Boroughs should proactively use brownfield registers and permission in principle to increase planning certainty for those wishing to build new homes.

D. Boroughs should publish and annually update housing trajectories based on the targets in Table 4.1 which identify the sources of housing capacity (including windfall) expected to contribute towards achieving housing targets and should work with the Mayor to resolve any anticipated shortfalls. **If the London Plan fails to meet its minimum annual housing target (as set out in Table 4.1) as at 31st March 2021, an immediate review of the London Plan will be triggered. If individual London boroughs do not meet their minimum annual housing target for two consecutive years to 31st March 2021, an immediate review of their Local Plans will be triggered to explore the constraints to meeting the minimum target and to address them.**

E. Where new sustainable transport infrastructure is planned, boroughs should re-evaluate the appropriateness of land use designations and the potential to accommodate higher-density residential and mixed-use development, taking into account future public transport capacity and connectivity levels.

F. On sites that are allocated for residential and mixed-use development there is a general presumption against single use low-density retail and leisure parks. These developments should be designed to provide a mix of uses including housing on the same site in order to make the best use of land available for development.

### Metropolitan Open Land

While we acknowledge the Mayor's strategic objective of protecting MOL from 'inappropriate' development, in plan making and decision taking, except where very special circumstances exist, being consistent with the current London Plan (policy 7.17B) and the National Planning Policy Framework (NPPF) (para 87) it is, we submit incumbent on the Mayor and the London Boroughs to review and ensure that all such existing designated MOL does genuinely contribute to one or more of three prime criteria for designation (G3D).

Draft policy (G3C) states that any alterations to MOL boundaries should be undertaken through the local plan process and sets the criteria for designation (G3D). This must apply both ways as whatever the intent or detailed wording of MOL policy, it can only be a sound policy if the land to which it relates justifiably warrants MOL designation and associated policy application.

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Accordingly, local planning authorities (LPAs) should be required to undertake a full and comprehensive independent review of the MOL designated within their boroughs as part of the local plan process, remove land from the MOL where it clearly does not meet the purposes of MOL and introduce any land which should be so designated. Such an approach is consistent with the requirement for 'positive planning' and "*up-to-date and relevant evidence*" in the NPPF (para 158).

The necessity to only protect land that warrants such protection fully is acute in London, given the ever-increasing need for the identification of land for development, in particular to meet Londoners' housing needs.

Our experience is that some LPAs in London do not conduct the required independent detailed review - of whether the currently designated parts of the MOL within their boroughs do all individually meet current London Plan criteria. Consequentially, there are sites still designated as MOL in London that do not fulfil the current of draft Policy G3D criteria. The continued 'protection in principle' of such land is both illogical and counterproductive to both Policy G3 and wider strategic draft London Plan objectives - most notably the need to deliver 'good growth' (Foreword) and economic development (para. 0.0.4).

Development proposed for such sites, which should have due regard to all other relevant planning considerations, has the potential to significantly improve these sites themselves and deliver benefits to Londoners' as sought in draft Policy G3 and supporting text.

We support the enhancement of the open environment to improve Londoners' quality of life through offering sporting and leisure use, heritage value, biodiversity, and health benefits through encouraging walking, running and other physical activity (DLP para. 8.3.1). We reiterate however, that these enhancements can be delivered as an integral part of well-considered development of land currently designated as MOL, particularly where MOL criteria are not being met, and where there is significant overall planning gain.

The relationship between MOL and strategic green infrastructure is noted (DLP para. 8.3.1), we recommend Policy G3 Part 04 is revised so as to be consistent with this function (i.e. removal of references to 'node' and 'link').

We support the principle of enhancing access to MOL (DLP para. 8.3.3). As indicated above, in some instances well-considered development within the MOL can both facilitate and deliver enhanced access.

### **Recommended Changes to the Plan**

In summary, we support the intention of Policy G3 Metropolitan Open Land but strongly recommend that the policy explicitly requires LPAs to undertake an objective review in consultation with the Mayor and adjoining authorities, to assess the contribution of existing sites within the MOL to the stated criteria, in both plan making and, in the transition period ahead of adopting such plans, in decision taking. Our recommended alterations to the policy are provided below:

(~~strikethrough demonstrates a proposed deletion and bold, underlined a proposed insertion.~~)

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**G3**

A Where it clearly meets the Metropolitan Open Land (MOL) criteria, MOL should be protected from inappropriate development, except in very special circumstances. Thus:

3 development proposals that would harm MOL should be refused, except in very special circumstances

4 boroughs should work with partners to enhance the quality and range of uses of MOL and place weight on those enhancements in decision taking.

B. The extension of MOL designations should be supported where appropriate and evidenced by an objective review against the MOL designation criteria.

C. Any alterations to the boundary of MOL should A comprehensive review of MOL boundaries must be undertaken through each Local Plan process to determine any alterations: this must include an assessment of both existing MOL land and any potential new MOL land, in consultation with the Mayor and adjoining boroughs.

D. Boroughs should designate MOL by establishing that the land meets at least one of the following criteria and de-designate from the MOL any land which does not meet at least one of the criteria:

- 1 it contributes to the physical structure of London by being clearly distinguishable from the built-up area
- 2 it includes open air facilities, especially for leisure, recreation, sport, the arts and cultural activities, which serve either the whole or significant parts of London
- 3 it contains features or landscapes (historic, recreational, biodiverse) of either national or metropolitan value
- 4 it forms part of a strategic corridor, node or a link in the network of green infrastructure and meets one of the above criteria.

We Trust that these comments and suggested amendments will be given due consideration in advancing the New London Plan and reserve the right to amplify and make further submissions at the examination stage prior to adoption.

Yours Sincerely



West & Partners on behalf of Dylon2 Limited and Relta Limited

cc: I Hutchinson Esq: Dylon2 Limited and Relta Limited