

The Savills logo consists of the word "savills" in a lowercase, sans-serif font. The letters are white and set against a solid yellow rectangular background.

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Mayor of London  
Greater London Authority

Via Email Only:  
[londonplan@london.gov.uk](mailto:londonplan@london.gov.uk)

Dear Sir / Madam,

**DRAFT NEW LONDON PLAN  
REPRESENTATIONS ON BEHALF OF FINCHATTON, ASSURE PROPERTY, ATLAS, KALLARS,  
INVESTRA AND 10 ANT GROUP**

Thank you for the opportunity to engage with the preparation of the Mayor's London Plan. This representation has been prepared by Savills (UK) Limited on behalf of a consortium of developers who deliver housing on small sites. It is made in respect of the Draft New London Plan (Draft London Plan) published by the Greater London Authority (GLA) on 29 November 2017.

Savills represents a great number and range of smaller scale developers across London who have for many years been promoting schemes of less than 25 units. Each year we are involved in the planning process for circa 400 to 500 new homes on these small scale sites. We are making representations specifically for a consortium of developers who have asked us to do so and who between them are representative of a diverse cross section of developers who deliver housing on small sites. The consortium is made up of the developers set out in Appendix 1.

The consortium have extensive experience of delivering housing on small sites across London. They welcome the recognition that small housing developments should play a greater role in housing delivery. In particular they support the intent of Policy H2 *Small sites*, which seeks to provide greater planning certainty on small sites. However, developing small sites can be extremely challenging and they are concerned that the measures set out in this policy alone will not be sufficient to increase the rate of delivery to meet the Draft London Plans housing targets.

It is against this context that we set out below our Clients representations on the Draft London Plan. We have focussed only on the delivery of housing on small sites and sought to make positive suggestions to assist with the preparation of a London Plan that is positively prepared to meet the objectives, principles and policies of the NPPF. We are mindful that the NPPF is currently under review and reserve our position to modify these representations in light of any changes to the NPPF.

Offices and associates throughout the Americas, Europe, Asia Pacific, Africa and the Middle East..

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The main points of these representations with respect to the Draft London Plan are as follows:

- Strong support for Policy H2 *Small sites*;
- The effectiveness of Policy H2 is fundamental to the soundness of the Draft London Plan;
- Modifications are suggested to improve the effectiveness of Policy H2 by reducing the impacts of the planning process on the development of small sites.

### Housing Delivery on Small Sites

In his recently published Draft Housing Strategy the Mayor made it clear that *“London’s housing crisis is the single biggest barrier to prosperity, growth, and fairness facing Londoner’s today.”*<sup>1</sup> As a result housing delivery targets have increased substantially, particularly in the Outer Boroughs where the increases have been most significant. For example Merton’s housing target has increased by 223%, Bexley’s by 179% and Hillingdon’s by 178%. The consortium support the increased housing delivery targets set out in Table 4.1 of the Draft London Plan and welcome the acknowledgement that delivery rates will need to almost double to meet them. The bottom line is that we need to ensure that significantly more homes are built in Outer London, particularly on small sites.

The consortium support the new targets for housing delivery on small sites as set out in Table 4.2. However, they note that these represent a very significant proportion of the overall housing targets. Overall, capacity on small sites accounts for 38% of the housing targets set out in Table 4.1 and this increases to 46.5% in the Outer Boroughs. To meet these targets delivery of housing on small sites will have to increase by circa 150% over historic trends<sup>2</sup>. In reality the contribution of small sites to housing supply in the Outer Boroughs has fallen over the last decade<sup>3</sup>. Policy H2 *Small sites* seeks to reverse this trend. It’s effectiveness in doing so is therefore fundamental to the soundness of the Draft London Plan.

The consortium strongly support the positive intent of Policy H2 *Small sites* to deliver more housing on small sites. In particular they support the presumption in favour of various forms of small housing development. However, they consider that this policy needs to go further if it is to be effective in increasing the rate of housing delivery on small sites sufficiently to meet the housing targets.

As noted in the Draft Housing Strategy the development of small sites can be extremely challenging with *“a number of obstacles to delivery, notably the availability and cost of land, and the complexity, cost and sluggishness of the planning system.”* The consortium largely agree with the survey findings of the NHBC Foundation with regards to the impacts of the planning process on the development of small sites<sup>4</sup>. These impacts include the length of time, unpredictability and inconsistency of the process, onerous conditions and section 106 legal obligations and the costs associated with increasingly complex validation requirements.

<sup>1</sup> Draft London Housing Strategy 2017

<sup>2</sup> 2017 London Strategic Housing Availability Assessment

<sup>3</sup> Outer London Commission, ‘Sixth Report: Removing the barriers to housing delivery’, 2016

<sup>4</sup> NHBC Foundation, ‘Small house builders and developers: current challenges to growth’, 2017

## Policy H2 Small Sites

It is against this context that we approach Policy H2 *Small Sites* of the Draft London Plan. The consortium broadly support this policy and its intent to increase delivery on small sites by encouraging speedier, more consistent, positive planning decisions. However, whilst this helps address one of the main impacts of the planning process, it does not address other issues such as onerous conditions and section 106 legal obligations and the costs associated with increasingly complex validation requirements.

Before we discuss these issues further, we should give consideration to the scale of development that is covered by Policy H2 *Small sites*. The application of this policy is triggered by a one to 25 unit threshold on sites that do not exceed 0.25 hectares. This means that small sites developments will fall into two categories, minor and major development, as defined by planning legislation. The consortium consider that there would be some merit in drawing a distinction between these two categories of development within Policy H2 *Small sites* as discussed further below.

Turning first to conditions attached to planning approvals. In the consortiums experience the number of planning conditions attached to planning approvals has steadily increased in recent years. This is supported by the findings of the NHBC Foundation survey. It is not uncommon for planning approvals to have 20-30 conditions, many of which have to be discharged prior to commencement of development. The government's recent consultation *Improving the use of planning conditions*, recognised the constraint that unjustified pre-commencement conditions place on development. To help address this issue we would suggest the following modification:

*(Insert)*

*J When making planning decisions boroughs should minimise the use of conditions that require approval of details, particularly conditions that require discharge prior to commencement of development.*

With regards to section 106 legal agreements, their preparation alone can lead to significant legal costs and protracted decision times. The consortium have found that section 106 legal agreements are increasingly being sought for small scale developments of ten units or fewer. Government advice is clear that affordable housing and tariff style planning obligations should not be sought from small scale development, defined as developments of ten units or less with a maximum combined gross floorspace of no more than 1,000 square metres. However, Part H of this policy conflicts with this advice and in effect provides a tacit support for the application of affordable housing tariffs to minor development on sites delivering ten homes or fewer. Not only is this contrary to Government advice, it places an additional financial burden on small scale development where viability is often marginal. It is the consortiums view that the application of affordable housing obligations to schemes of ten units or fewer will constrain delivery of small sites rather than encourage higher rates of delivery.

The consortium consider that there is however some merit in a tariff based approach for major developments of between 11 and 25 units. Viability is often particularly challenging for this scale of development as they are subject to all the planning risks and costs associated with major applications, such as increased validation requirements, longer decision times, decision by committee and planning contributions. Many of these schemes will find it difficult to meet the threshold of 35% affordable housing as set out in Policy H6 *Threshold approach to applications*, which means greater uncertainty and cost associated with the viability route followed by late stage reviews that make securing finance difficult.

Even where such schemes are able to provide 35% this would result in just 9 affordable units on a development of 25 units. In practice Registered Providers are reluctant to take on such a small number of units in a development, as it creates management costs and difficulties. This can render schemes with an on-site affordable element undeliverable. On this basis we suggest that the Mayor supports a tariff based approach to affordable housing on small sites delivering between 11 and 25 units. We would therefore suggest the following modification to address the above issue in relation to both minor and major developments on small sites:

*(Delete)*

~~H — Boroughs wishing to apply affordable housing requirements to sites capable of delivering ten units or fewer and which have a maximum combined gross floor space of no more than 1,000 sqm should only require this through a tariff approach to off-site contributions rather than seeking on-site contributions. Boroughs are strongly encouraged to provide the flexibility for payments to be collected prior to the occupation of development, rather than prior to commencement of development.~~

H Boroughs should not apply affordable housing requirements or tariff based planning contributions to sites capable of delivering ten units or fewer and which have a maximum combined gross floor space of no more than 1,000 sqm. Other matters such as car-free agreements and highway works should be secured via condition.

I On sites capable of delivering between 11 and 25 units or which have a combined gross floor space of more than 1,000 sqm, affordable housing provision should be secured through a tariff approach to off-site contributions rather than seeking on-site contributions. Boroughs are strongly encouraged to provide the flexibility for payments to be collected prior to the occupation of development, rather than prior to commencement of development.

Finally, having regards to validation requirements, in the consortiums experience these have become increasingly complex over recent years. Local validation checklists usually make a distinction between minor and major development, with major developments often subject to a full range of validation requirements. However, there is often very little distinction between small scale, major development, which can have relatively minor impact compared to large-scale major developments. The consortium consider that it would assist delivery if boroughs were to recognise as a validation category, small scale major development of between 11 and 25 units, and seek to reduce the burden of validation requirements. As such we suggest the following modification:

*(Insert)*

K Boroughs are strongly encouraged to prepare validation checklists that recognise small scale major development of between 11 and 25 units, and seek to reduce the burden of validation requirements for this form scale of development.

#### Policy H6 Threshold approach to applications

As discussed above the consortium consider that a tariff based approach to affordable housing should be adopted for small scale major development of between 11 and 25 homes. In order to reflect this approach we suggest the following modification to Policy H6:

*(Modify A)*

A The threshold approach applies to development proposals which are capable of delivering more than ~~ten~~ 25 units ~~or which have a combined floor space greater than 1,000 sqm~~ (see paragraph 4.6.14 for exclusions to the threshold approach and 4.6.15 for scheme types with bespoke approaches).

*(Insert new B)*

B On sites capable of delivering between 11 and 25 units or which have a combined gross floor space of more than 1,000 sqm, affordable housing provision should be secured through a tariff approach to off-site contributions rather than seeking on-site contributions.



Our clients would be grateful if the matters raised in this letter could be taken into account when completing the next stage of the London Plan and would welcome the opportunity to represent these views at the Examination in Public.

Yours faithfully,

**Russell Smith MTCP MRTPI**  
Savills Planning

## **APPENDIX 1**

The Consortium is comprised of the following developers:

- Finchatton
- Assure Property
- Atlas
- Kallars
- Ivestra
- 10 Ant Group