

Mayor of London
New London Plan
GLA City Hall
London Plan Team
Post Point 18
FREEPOST RTJC-XBZZ-GJKZ
London SE1 2AA

Our Ref: *FNH Representations*
Your Ref: *Draft London Plan 2017*
Email: *Mark.Jackson@fairview.co.uk*

BY EMAIL

2nd March 2018

Dear Sir/Madam,

**Re: A RESPONSE BY FAIRVIEW NEW HOMES TO THE MAYOR OF LONDON'S
DRAFT LONDON PLAN**

Thank you for the opportunity to comment on the Draft London Plan. These representations are made on behalf of Fairview New Homes Limited ("Fairview").

We will first introduce Fairview and make some general observations on matters of planning principle. We will then make more detailed comments on the contents of the draft London Plan.

Fairview New Homes

Fairview is a successful SME house builder with almost 60 years' experience developing across London and the South East. Fairview is committed to delivering high quality and sustainable new homes and understands that affordable housing is an important component of this.

The business has delivered over 400 housing and mixed used projects in London and the South East since 1961 and we are currently producing over 650 residential units per annum (mainly apartments). We specialise in urban sites with challenging characteristics, e.g. contaminated noisy-sites, etc. Our business model is to purchase the land unconditionally and work closely with local authorities and communities to deliver high-quality regeneration schemes. We currently have prospects for new land acquisitions in approximately half of London's Boroughs.

We are a specialist in complicated land assembly, avoiding the costs and delays of CPO. This has yielded a number of brownfield sites and joint ventures with Councils to deliver new affordable housing products and new Council housing.

House Builders Federation

Fairview New Homes is part of the HBF and is aware of the representation being submitted by the HBF on behalf of our industry. We support the reps of the HBF unless noted explicitly below and would ask that their comments are taken seriously given the mutual desire to quickly address the current housing crisis in London.

General principles

Objectively assessed Need. Paragraphs 0.0.21 and 0.0.22

The HBF has provided a comprehensive representation on Housing figures which underpin the Draft London Plan. The fundamental issue is that the new target represents a 53% increase on the current London Plan (see paragraph 9.4 of the 2017 SHLAA) and this target will need to be delivered within London's existing urban footprint. We know from the schemes we are working on that the GLA is willing to take a pragmatic view on: density, mixed uses, utilisation of smaller sites to attempt to address this new target, but we are also unconvinced that London can meet a figure of 65,000dpa a year on London's existing footprint from 2019 to 2029

The stranglehold on employment land release coupled with a blanket restriction on Green Belt despite local circumstances will mean that the plan will inevitably miss its target. Whilst it might be true that some aspects of the above will work in parts of London the one size fits all approach fails to reflect that London and its Boroughs are diverse and so should the planning strategy to maximise housing. Whilst we support the Mayor approach to make more use of smaller sites we are concerned that there is an overreliance on a form of development which is often more controversial than larger strategic sites and has a lower capability to provide significant quantities of affordable housing.

For this reasons Fairview is extremely concerned that the private housebuilding industry which still makes up the majority of new housing in the Capital will not be able to respond quickly to all the changes in the plan and on this basis there is a strong risk that the new London Plan will be found to be unsound.

Strategic Plan not a new Planning System - Paragraphs 0.0.21 and 0.0.22

The relationship of the draft London Plan to the local plans of the London LPAs is a question that needs to be explored very carefully, as the draft London Plan is seeking to supplant elements of local plan preparation. The draft London Plan needs to be very clear how the new housing targets will be adopted or translated into local plans by the London LPAs.

While we recognise that the London Plan automatically updates development plans across London, it is the case that the testing of the ability of the London LPAs to accommodate the London Plan targets has been subject to a finer-grain assessment when they produce their part 1 local plan. This is because they begin to examine in detail the question of the a) locally assessed OAN; and b) housing land supply and then site allocations.

It is a requirement of the NPPF that every local planning authority in England produces a development plan document. We are not convinced that this is a matter where the Mayor can prescribe a different approach. Not least because there is a

legal requirement for the London LPAs to demonstrate that they have complied with the duty to cooperate – a duty that the Mayor is keen to stress does not apply to the London Plan because the London Plan is not by definition a development plan document.

The draft London Plan needs to be amended so there is no doubt that the London LPAs are all required to produce development plan documents. We are not convinced that the Mayor cannot arrogate power on this question. His mandate does not extend to supplanting a core requirement of national planning policy and our plan-led system.

Whilst we have specific comments about policies in the London Plan Fairview has a general concern that the London Plan is far too detailed and prescriptive for a strategic plan. It does not reflect localism and should take into account that outer London Boroughs are very different in what can be achieved politically and financially compared to Central London. To ignore localism is to put the ambitious delivery targets at risk. **Para 0.0.22**

Detailed comments on the Draft London Plan.

Policy D6 Optimising housing density – para 3.6.1

Fairview supports the objectives of the policy but is concerned that there is ambiguity in the wording of the supporting text. It should be made clear that the design led approach to increasing density cannot always reflect the surrounding context.

Recommendation – delete text as shown below.

3.6.1 For London to accommodate growth in an inclusive and responsible way every new development needs to make the most efficient use of land. This will mean developing at densities above those of the surrounding area on most sites. The design of the development must optimise housing density. A design-led approach to optimising density should be based on an evaluation of the site's attributes, ~~its surrounding context and capacity for growth and the most appropriate development form, which are determined by following the process set out in Policy D2 Delivering good design. Policy H1 Increasing housing supply, Policy H2 Small sites and Policy H3 Monitoring housing targets set out requirements for increasing housing supply across London and identify locations where increased housing capacity can be achieved.~~

Policy D8 Tall Buildings

Fairview supports the principles of Policy D8, however, the policy should recognise that just because a tall building has not followed a plan-led approach, it should not be discounted. The definitions of tall buildings in many of the existing London plans are currently inadequate and are so limiting as to be a real constraint on delivery. E.g. several Outer London Boroughs consider anything over 7 storeys to be a tall building and direct anything higher to town centres.

Recommendation

Amend the text of D8 part B to indicate that tall buildings should normally be promoted as part of a plan-led approach but that exceptionally tall buildings can be promoted via planning applications provided that the provisions of part C are followed.

Policy H1 Increasing housing supply

Fairview welcomes the positive message which is at the heart of Policy H1, but is concerned that the increased delivery sought is actually unrealistic in the context of the scale of change being sought, the programme anticipated and the constraints placed on delivery by other policies of the plan, e.g. no green belt release and re-provision on industrial sites.

Specifically, the policy is seeking a delivery rate of more than double the current rate within the next 12 months, i.e. from the start of 2019. Councils are currently failing to meet their current housing targets and yet some outer London Boroughs have been set targets more than double current levels. A step change in provision is required but the tool to achieve this increased delivery, i.e. measured release of under-performing employment site in poor locations has been removed from the toolbox.

Additionally, Fairview remain concerned about the ability of some local authorities who persistently under-perform to step up to the challenge. The Mayor should take the positive and pro-active step of being clear that development proposals which authorities fail to deal with the Mayor will get involved in and will also lobby for additional powers to do so.

Policy H2 Small Sites

The encouragement of smaller sites to meet housing need is welcomed, but Fairview like the HBF is concerned that the level of completions assumed is unrealistic. Development Plans for decades have tended to place an over reliance on smaller windfall sites. To expect that 18,790 completions each year can suddenly materialise

in the context of less than 6,000 per annum now is at best very optimistic. This is especially true in the context of 18,790 homes representing about third of the overall annual target.

Meanwhile Use (Policy H4)

Fairview would like the policy clarified making it clear that it is principally directed at large multi-phased developments. There is a risk that otherwise the policy will be translated into conditions on small sites and add further work for developers trying to justify why they just want to get on with development.

Delivering Affordable Housing (Policy H5)

Fairview support the Mayor's aspirations for providing the maximum viable affordable housing on larger schemes to address the current housing crisis. As a matter of record, the majority of our schemes, in London over the last 2 years have delivered 35% Affordable Housing by habitable room. The ambitious target of 50% is important, but it is equally important that developers are not discouraged from investing in land, which is increasingly on an unconditional basis by being overly prescriptive in the imposition of 50% affordable. Greater clarity on the use and availability of Housing Grant should also be provided. It must be clear that 50% is a strategic target and not all sites can achieve this level of provision.

Policy H6: Threshold approach to applications

Fairview supports the use of Supplementary Planning Guidance in setting the 35% Affordable Housing threshold for fast track planning applications. We know from our experience this introduced certainty and consistency which is important for developer confidence and rapid delivery. We continue to support the Mayor in Policy H6 (Part B) in the need to keep the percentage reviewed on a regular basis. We would question whether this should be undertaken on a more regular basis reflecting trends in the property cycle. 35% affordable provision works in many instances now, but if we are at the top of the property cycle as many leading commentators suggest, a reduction in the threshold maybe required within the next 2-3 years, to ensure delivery is not slowed by overly prescriptive viability reviews.

In respect to H6 B(3) we remain concerned that 50% is being applied on SIL and LSIS across the capital without any scope for local circumstances to be reflected. The values of SIL/LSIS vary enormously across the Capital. It is of note that Southwark's Old Kent Road Masterplan has tested viability in SIL for a central

London Borough and determined 35% Affordable provision to be appropriate. It cannot, therefore, be the case that higher percentages should be the threshold in places like Hillingdon and Barnet. Each Borough and each risk needs to be individually and carefully tested. Even a banding of Borough's would reflect a more logically position.

We share the HBF concern in respect to (H6, Part C, 3). No application for residential development made in London is ever able to be fully policy compliant in all respects. To provide flexibility, and to restore an element of discretion to the London Boroughs, we strongly recommend that Part C 3) is re-drafted to allow the London Boroughs to decide the overall policy package having regard to the overall viability of the scheme and other material considerations.

In respect to Part H6(D) Fairview supports the early stage review process providing there is clear guidance on what constitutes a reasonable level of progress and that the period for compliance is no more than 2 years. As many authorities will not accept that they are performing very badly in clearing too many conditions, it is important that their poor performance does not trigger unnecessary reviews.

Recommendation

Part H6(B)

“The effectiveness of the 35% threshold in supporting housing delivery will be reviewed in 2019 and if appropriate, a review of the London Plan will commence to revise Policy H6 if by 2020 housing delivery has fallen below the target of 65,000 net additions.

Part H6(D) – clarity on the agreed level of progress on implementation is required.

Paragraph 4.6.11 Existing Use Value Plus

Whilst we agree with the HBF reps on the Existing Use Value Plus we are also pragmatic that many of the London Boroughs are following a similar approach and what is needed now is consistency and certainty.

Vacant Building Credit (Policy H9)

We objected to the Mayor's approach to Vacant Building Credit in the Affordable Housing SPG and repeat that objection to Policy H9. The Vacant Building Credit was introduced via the Written Ministerial Statement of 28 November 2014. In London the instances where VBC will be relevant are diminishing, but we would contend that it

should remain an option to kick start regeneration on larger sites where development costs are high and revenues currently suppressed.

Fairview asserts that this section of the draft London Plan should be redrafted or removed altogether, because the restrictions imposed on the operation of the Vacant Building Credit are so far-reaching as to nullify its effect and we believe it is outside the remit of the draft London Plan to effect removal of national planning policy. If the policy remains it will make the Draft London Plan unsound.

Recommendation

Vacant Building Credit is National Planning Policy and should be removed from the guidance provided by the draft London Plan. Alternatively, and as suggested by the HBF, the policy should be reworded as follows:

“A ~~The Vacant Building Credit is unlikely to bring forward additional development in London, therefore in most circumstances, its application will not be appropriate in London. The London LPAs should have regard to the national planning policy on the Vacant Building Credit when preparing their Local Plans. Subject to evidence, it may be appropriate to limit the application of the credit to circumstances where the criteria in Part B of this policy apply.~~”

The rest of the text of Part A should be deleted.

Housing Mix - Policy H12

Fairview supports the Mayor’s approach to mix in that a range of unit sizes should be provided on a scheme and that local need should primarily be reflected in the Affordable component of the proposed units. It is correct (H12 part b) that Local Planning Authorities should not be prescriptive in setting dwelling sizes where there is no market demand for certain unit sizes in key locations. One example being larger family private apartments where these already dominate the housing stock in an area. Examples of this is common in outer London Boroughs, where private family housing with gardens is often sold at a comparable price to new build family apartments. The purchaser preference will inevitably be for a house with the garden space making family apartments unattractive and often unavoidable.

Policy SD1: Opportunity Areas

Opportunity areas are a prime source of new housing, but there are real concerns that the value of residential land in these locations, particularly when subject to the enhanced affordable homes requirements and Agent for Change proposals, is unlikely to be competitive relative to rising industrial land and employment values particularly those associated with the logistics sector. Furthermore, because these

sites will generally be owned by commercial rather than housing developers the incentive to develop mixed use schemes will be limited, especially as these are more complex to assemble. The scope to maintain floor space, but reduce building footprints and reduce yard areas is very unlikely to be achievable to the extent envisaged in Figure 6.3. We are currently testing various sites in London, including where mixed use spatial diagrams are being applied. It is practically impossible to re-provide 100% commercial floor space, given the need for ground floor ancillary areas to support the residential above, e.g. circulation cores, bin and cycle storage, etc. The scope to make this work in outer London is considered to be even more problematic.

Policy G2: Green Belt - Making the best use of land

Green Belt

Fairview support the HBF in their comments on Green Belt. The London Plan is not a Local Plan as the Mayor is anxious to remind us. National Planning Policy allows local planning authorities when preparing their Local Plans to establish Green Belt boundaries. Green Belt boundaries, once established, can only be altered in exceptional circumstances, through the preparation or review of the Local Plan. It is clear from the NPPF that the extent of the Green Belt is a matter for local planning authorities to decide through the preparation of their Local Plans. This is not a matter over which the Mayor of London has complete jurisdiction, although he may produce a spatial strategy that outlines the general principles of growth and where that growth might best be accommodated. Ultimately, it is a matter for the individual local planning authorities to determine the most appropriate way to meet the housing targets that have been identified by the Mayor.

As an illustration the Mayor's housing target has historically relied on release of employment land and some mixed use development, coupled with a periodical review of Green Belt by the respective London Boroughs who have Green Belt. The proposed housing allocations which disproportionately allocates housing to outer London Boroughs, yet at the same time seeks to prevent Boroughs from releasing poorly performing Green Belt and open space, will have a significant impact on delivery of new homes. This has the potential to make the draft London Plan unsound.

Recommendation

The London Plan should make it clear that the London Borough determine Green Belt and can in exceptional circumstances increase or more likely decrease Green Belt having such policy examined as part of a local plan review process.

Policy E4 Land for industry, logistics and services to support London’s economic function.

The introduction of Policy E4 is probably one of the highest risks to the delivery of new housing in London at the moment, especially in the context to the blanket restriction on Green Belt release. While we can understand concern about the rate at which industrial land was transferred to other uses, the fact is that if this supply is now to be significantly reduced at a time when housing supply needs to double, then alternative sources of land must be identified by the draft London Plan.

The Development Plans of several London Plans have already embarked on a planned release of redundant and underperforming employment land to residential. These transitional sites should be supported by the GLA as positively reflecting the aspirations of Policy E4. As part of new local plan reviews the opportunities to intensify both employment and housing can be examined fully through local plans and the viability in each location tested, including the potential for such locations to provide affordable housing and lower re-provision of employment uses.

An example of where this is already in process is the Old Kent Road Masterplan, where 35% affordable housing has been tested in the context of the desire to intensify development. Applications in this area at 35% affordable housing are demonstrating this certainty and responsible provision is the catalyst to promoting growth rather than a blanket restriction and forcing each scheme to provide detailed viability evidence which further delays delivery of much needed housing.

Policy E7 Intensification, co-location and substitution of land for industry, logistics and services to support London’s economic function.

Whilst there is some flexibility in this draft policy to allow intensification there are still aspects of Policy E7 which we object to. Firstly, Part B is too restrictive. Opportunities for redevelopment which meet the aspirations of the policy could be lost because of the time it takes to progress development plans. Several London Boroughs have development plans that are at an advanced stage in the preparation and adoption process. None of these will be rushing to review SIL/LSIS and have updated plans for many years.

If adopted the London Plan policy E7 as drafted, this will create significant disparity in multiple London Boroughs where plans have been progressing for a number of years to release designated industrial land for mixed use redevelopment. The release of such sites for redevelopment is vital for the planned regeneration of decreasingly viable industrial areas in London. Such redevelopment is also pivotal for the delivery of housing land required to meet significantly increased housing targets – as set out in the draft London Plan. Examples include the planned release of SIL land in Southwark, as set out in the Old Kent Road AAP, which is at an advanced stage and anticipated for adoption in April 2019. The redevelopment proposed in this plan would be in

contravention of the Draft London Plan once adopted, as there is no scope at present for the re-provision of the industrial floorspace to be lost. These plans have the support of a localised evidence base and multiple rounds of consultation with the public and with key stakeholders. For the London Plan to adopt a policy which would undermine these plans would be to derail the spatial development strategy for many London Boroughs.

The following nine LPAs have draft Local Plans which are at an advanced stage but not yet adopted (nb. Not including many significant AAPs for redevelopment of industrial areas)

Authority	Draft Plan Published	Plan Submitted
Bromley, London Borough of	14/11/2016	11/08/2017
Croydon, London Borough of (Partial Review)	05/09/2016	03/02/2017
Hackney , London Borough of (Local Plan)	26/10/2017	
Hammersmith & Fulham, London Borough of (Review)	09/01/2015	28/02/2017
Havering, London Borough of (Local Plan)	07/08/2017	
Kensington & Chelsea, Royal Borough of (Partial Review)	28/10/2016	05/05/2017
Redbridge, London Borough of (Local Plan)	28/07/2016	03/03/2017
Richmond Upon Thames, London Borough of (Review)	04/01/2017	19/05/2017
Sutton, London Borough of (Local Plan)	09/01/2017	12/04/2017

Recommendation

The London Plan should build in some flexibility in the wording of the policies to allow for opportunities whilst stating release and intensification shall normally be via local plan reviews.

Policy T5 - Cycling

The provision cycle spaces has long been an integral part of the London Plan and the objectives are well understood. Having completed a number of large developments and found that the take up of cycle spaces is far below the minimum standards we would like the GLA to include some flexibility where there are alternatives to private cycle storage.

Recommendation

Include a change to Policy T5 which allows a reduction in cycle storage on-site where either the proposed development or another body provides a private

bicycle hire scheme. Such schemes are being promoted around the capital including two new schemes in Ealing and Enfield.

Policy T6.1 – Car Parking

Fairview welcomes the reduction in car parking standards in areas of high accessibility. Car Parking has always been a major constraint and development cost, especially in central London where high levels of car parking are not justified. However, the inclusion of 80% passive car parking introduces further viability concerns for new development.

Recommendation

Amend Policy 6.1(C) to reinstate the 20% active and 20% passive car parking spaces.

Thank you for the opportunity of making representations to the draft London Plan. Fairview will endeavour to continue to support the Mayor's agenda, for the redevelopment of brownfield sites to maximise development potential and the delivery of much needed new housing and affordable housing across London.

Should you require clarification or any additional information, please do not hesitate to contact me.

Yours faithfully



Mark Jackson
Head of Planning - Fairview New Homes