

**The London Plan
Consultation Draft**



March 2018

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1. EXECUTIVE SUMMARY

- i. This representation provides Gladman Developments Ltd written representations on the London Plan (LP)
- ii. Gladman specialise in the promotion of strategic land for residential development with associated community infrastructure and has been involved with the preparation of many Local Plans and strategic planning documents across the country.
- iii. These representations concern the following main matters:
 - Duty to Cooperate
 - Housing Needs
 - Housing Supply
 - Spatial Development Patterns
 - Unmet Housing Needs
- iv. The LP needs to be very explicit on how London Boroughs are to implement the policies set out in the Plan and in particular, how they are to deal with the housing requirement and how the Duty to Cooperate (DtC) is intended to be complied with.
- v. It is recognized that the LP categorically states that London is able to deliver its full housing needs within its own boundaries. Gladman has serious doubts over whether this can actually be achieved.
- vi. If it cannot, then under the proposals set out in the LP, there is a real danger that unmet housing needs will simply remain unmet and will not be addressed by any of the surrounding authorities which have strong transport links with the Capital. This has the potential to cause serious issues of exacerbating housing affordability in these locations, as London residents seek properties outside of its boundaries.
- vii. The Government's recent consultation on housing need assessments is set out in its 'Right Homes Right Places' consultation paper (September 2017) which clearly outlines that the Government's key driver is to tackle housing affordability across the Country. As London suffers from severe housing affordability issues, with the average affordability ratio across all London Boroughs being in excess of 15, it is somewhat surprising that the LP does not tackle this issue head on.
- viii. If one looks at the Government's proposed standardized approach to calculating housing need, the London Plan should be delivering 72,407dpa, some 6,000 units higher than is currently proposed. Of course, this is a capped figure to allow authorities who may experience significant

increases in their housing requirement time to adjust. The uncapped figure for London would be 95,267dpa.

- ix. Gladman believe that the most appropriate housing requirement for the London Plan, if the country and London is to truly begin to address the housing affordability crisis, is the uncapped figure from the proposed standardized methodology.
- x. The latest version of the London SHLAA, whilst a significant piece of work, is a theoretical exercise of assessing the capacity of sites and their likelihood of coming forward. The only way to properly test the assumptions made in the SHLAA exercise is through the respective Local Plan allocations or similar documents to be prepared by the London Boroughs following the adoption of the London Plan. This will mean that until the allocations documents are prepared and examined, the capacity of London to deliver will remain theoretical.
- xi. Given the above considerations, coupled with the fact that there is an inherent unmet need already included within the London Plan of 1,000dpa (the difference between the theoretical capacity of 65,000dpa and housing requirement of 66,000dpa), it is inevitable that there will be unmet housing need originating from within London which will need to be dealt with.
- xii. The London Plan therefore needs to include a suitable, robust mechanism that will deal with any unmet need arising in the Capital in an expedient manner through the Duty to Cooperate with authorities adjoining the capital. If it is not, this level of unmet need will cause significant issues for the surrounding authorities as London residents, unable to find suitable units in London, purchase houses in their areas. This will have a significant effect on the affordability of these areas which are already suffering from unaffordable house prices.
- xiii. Unmet housing need from London should therefore be picked up by the surrounding authorities which already have, or are planned to have, good public transport links with the Capital. The Mayor should facilitate this through the London Plan and through his duty to inform and consult and the London Boroughs' Duty to Cooperate on the preparation of their allocations plans.

2. INTRODUCTION

2.1. Introduction

- 2.1.1. This representation is made by Gladman Developments Ltd (GDL) in response to the current consultation on the LP. GDL specialise in the promotion of strategic land for residential development with associated community infrastructure and has land interests across the country.
- 2.1.2. GDL has considerable experience in the development industry in a number of sectors including residential and employment development. From that experience, it understands the need for the planning system to provide local communities with the homes and jobs that they need to ensure that they have access to a decent home and employment opportunities.
- 2.1.3. GDL also has a wealth of experience in contributing to the Development Plan preparation process, having made representations on numerous local planning documents throughout the UK and having participated in many local plan public examinations. It is on the basis of that experience that the comments are made in this representation.
- 2.1.4. Gladman would wish to participate in the London Plan Examination in order to articulate our concerns in greater detail.

2.2. Context

- 2.2.1. The National Planning Policy Framework sets out four tests that must be met for Local Plans to be considered sound. In this regard, we submit that in order to prepare a sound plan it is fundamental that it is:
- **Positively Prepared** – The Plan should be prepared on a strategy which seeks to meet objectively assessed development and infrastructure requirements including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development;
 - **Justified** – the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on a proportionate evidence base;
 - **Effective** – the plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities; and
 - **Consistent with National Policy** – the plan should enable the delivery of sustainable development in accordance with the policies in the Framework.

3. NATIONAL PLANNING POLICY

3.1. National Planning Policy Framework and Planning Practice Guidance

3.1.1. The NPPF has been with us now for over five years and the development industry has experience with its application and the fundamental changes it has brought about in relation to the way the planning system functions. The NPPF sets out the Government's goal to 'significantly boost the supply of housing' and how this should be reflected through the preparation of Local Plans. In this regard, it sets out specific guidance that local planning authorities must take into account when identifying and meeting their objectively assessed housing needs:

"To boost significantly the supply of housing, local planning authorities should:

- **Use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area.**
- **Identify and update annually a supply of specific deliverable sites sufficient to provide five years' worth of housing against their housing requirements..."**
- **Identify a supply of specific, developable sites or broad locations for growth, for years 6-10, and where possible for years 11-15" (Paragraph 47).**

3.1.2. The starting point of identifying objectively assessed housing needs is set out in paragraph 159 of the NPPF, which requires local planning authorities to prepare a Strategic Housing Market Assessment (SHMA), working with neighbouring authorities where housing market areas cross administrative boundaries. It is clear from the NPPF that the objective assessment of housing needs should take full account of up-to-date and relevant evidence about the economic and social characteristics and prospects of the area, with local planning authorities ensuring that their assessment of and strategies for housing and employment are integrated and take full account of relevant market and economic signals (paragraph 158).

3.1.3. Once a local authority has identified its objectively assessed needs for housing, these needs should be met in full, unless any adverse impacts would significantly and demonstrably outweigh the benefits of doing so (paragraph 14). Local planning authorities should seek to achieve each of the economic, social and environmental dimensions of sustainable development, and net gains across all three. Adverse impacts on any of these dimensions should be avoided. Where adverse impacts are unavoidable, mitigation or compensatory measures may be appropriate (paragraph 152).

3.1.4. As the Council will be aware, the Government published its final suite of Planning Practice Guidance (PPG) on the 6th March 2014, clarifying how specific elements of the NPPF should be interpreted

when preparing their Local Plans. The PPG on the Housing and Economic Development Needs in particular provides a clear indication of how the Government expects the NPPF to be taken into account when Councils are identifying their objectively assessed housing needs. Key points from this document include:

- a. Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need.
 - b. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic underperformance, infrastructure or environmental constraints.
 - c. Household projection based estimates of housing need may need adjusting to reflect factors affecting local demography and household formation rates which are not captured by past trends, for example historic suppression by under supply and worsening affordability of housing. The assessment will need to reflect the consequences of past under delivery and the extent to which household formation rates have been constrained by supply.
 - d. Plan makers need to consider increasing their housing numbers where the supply of working age population is less than projected job growth, to prevent unsustainable commuting patterns and reduced local business resilience.
 - e. Housing needs indicated by household projections should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings.
- 3.1.5. The more significant the affordability constraints (as reflected in rising prices and rents, and worsening affordability ratio) and the stronger other indicators of high demand (e.g. the differential between land prices), the larger the improvement in affordability needed, and the larger the additional supply response should be.
- 3.1.6. The total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the local plan should be considered where it could help to deliver the required number of affordable homes.

3.2. Housing White Paper – Fixing our broken housing market

- 3.2.1. The Government published the Housing White Paper in February 2017 for consultation. Whilst it is a White Paper, it nevertheless represents a very clear direction of travel and clear indication of the Government's intent. The GLA will need to consider the emerging Plan against the points raised within the White Paper, and monitor the progress of the consultation as the proposals within it materialise as potential reforms to the planning system.

- 3.2.2. The title of the White Paper makes apparent that the Government considers the housing market to be broken, it is also clear from the document forward by the Prime Minister that the cost of housing is a key part of why the housing market is considered broken. In the foreword, the Prime Minister states:

“Today the average house costs almost eight times average earnings – an all-time record.”

“In total, more than 2.2 million working households with below-average incomes spend a third or more of their disposable income on housing.”

“We need to build many more houses, of the type people want to live in, in the places they want to live. To do so requires a comprehensive approach that tackles failure at every point in the system.”

- 3.2.3. The second foreword from the Secretary of State adds further to the Government’s thinking, particularly on the need to build new homes now, it states:

“This country doesn’t have enough homes. That’s not a personal opinion or a political calculation. It’s a simple statement of fact”

“Soaring prices and rising rents caused by a shortage of the right homes in the right places has slammed the door of the housing market in the face of a whole generation.”

“That has to change. We need radical, lasting reform that will get more homes built right now and for many years to come.”

- 3.2.4. The White Paper outlines further potential reforms to the plan making process, OAN methodology, and Green Belt consideration and housing delivery tests, amongst others. Gladman will refer to key aspects from the White Paper in relevant sections of this representation.

- 3.2.5. The reason for this housing crisis is that the country is simply not building enough homes and has not done so for far too long. The consensus is that we need from 225,000 to 275,000 or more homes per year to keep up with population growth and to start to tackle years of under-supply.

- 3.2.6. Everyone involved in politics and the housing industry therefore has a moral duty to tackle this issue head on. The White Paper states quite unequivocally that *“the housing shortage isn’t a looming crisis, a distant threat that will become a problem if we fail to act. We are already living in it.”*

- 3.2.7. Tackling the housing shortage is not easy. It will inevitably require some tough decisions. But the alternative, according to the White Paper, is a divided nation, with an unbridgeable and ever-widening gap between the property haves and have-nots.

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- 3.2.8. The challenge of increasing supply cannot be met by Government alone. It is vital to have local leadership and commitment from a wide range of stakeholders, including local authorities, private developers, housing associations, lenders and local communities.
- 3.2.9. The starting point is building more homes. This will slow the rise in housing costs so that more ordinary working families can afford to buy a home and it will also bring the cost of renting down. We need more land for homes where people want to live. All areas therefore need a plan to deal with the housing pressures they face.
- 3.2.10. Currently, over 40 per cent of local planning authorities do not have a plan that meets the projected growth in households in their area. All local authorities should therefore develop an up-to-date plan with their communities that meets their housing requirement based upon an honest assessment of the need for new homes.
- 3.2.11. Local planning authorities have a responsibility to do all that they can to meet their housing requirements, even though not every area may be able to do so in full. The identified housing requirement should be accommodated in the Local Plan, unless there are policies elsewhere in the Framework that provide strong reasons for restricting development, or the adverse impacts of meeting this requirement would significantly and demonstrably outweigh the benefits. Where an authority has demonstrated that it is unable to meet all of its housing requirement, it must be able to work constructively with neighbouring authorities to ensure the remainder is met.
- 3.2.12. Plans should be reviewed regularly, and are likely to require updating in whole or in part at least every five years. An authority will also need to update their plan if their existing housing target can no longer be justified against their objectively assessed housing requirement.
- 3.2.13. Policies in Local Plans should also allow a good mix of sites to come forward for development, so that there is choice for consumers, places can grow in ways that are sustainable, and there are opportunities for a diverse construction sector including opportunities for SME housebuilders to deliver much needed housing.
- 3.2.14. Finally, the Government has made it clear through the White Paper that local planning authorities are expected to have clear policies for addressing the housing requirements of groups with particular needs, such as older and disabled people.
- 3.2.15. The White Paper is the cornerstone of future Government policy on fixing the broken housing market. It provides the direction of travel the Government is intending to take and is a clear statement of intent that this Government is serious about the provision of the right number of houses in the right places. The LP therefore needs to consider these policy intentions now in order to ensure that it fulfils the Government's agenda and provides the homes that its local communities need.

3.2.16. Following the election, Sajid Javid re-iterated the Government's intentions for boosting housing growth stating that he wants areas that have benefitted from soaring property prices to play their part in solving the housing crisis. Mr Javid pointed out that where property prices were particularly unaffordable, local leaders would need to take a long, hard and honest look to see if they are planning for the right number of homes. A new consultation on a standardised methodology for calculating housing needs was released in September 2017. The Council will therefore need to consider the implications of this consultation going forward.

3.2.17. More recently, in October 2017, the Prime Minister reaffirmed the Government's commitment to addressing the broken housing market by bringing forward measures to boost home ownership and housing supply, stating:

"I will dedicate my premiership to fixing this problem – to restoring hope. To renewing the British Dream for a new generation of people. And that means fixing our broken housing market."

"For 30 or 40 years we simply haven't built enough homes. As a result, prices have risen so much that the average home now costs almost 8 times average earnings. And that's been a disaster for young people in particular."

3.2.18. Furthermore, in a message to housebuilders, the Prime Minister indicated that:

"We, the government, will make sure the land is available. We'll make sure our young people have the skills you need. In return, you must do your duty to Britain and build the homes our country needs."

3.2.19. The Autumn Budget 2017 brought further details of the Government's commitment to building a Britain that is 'fit for the future'. A prominent feature of this is tackling the housing crisis, with housebuilding featuring prominently amongst the Chancellor's announcements, which included further confirmation that:

"The Government is determined to fix the broken housing market, and restore the dream of home ownership for a new generation."

3.2.20. The affordability of housing for young people is a key challenge for the Government, and whilst it is recognised that there is no 'single magic bullet' to solve the housing crisis, the Government is actively seeking to tackle obstacles standing in the way of first-time buyers. The Government sees a 'big step up' in new house building as an important element in its strategy to address the acute affordability problem and has set a goal to build 300,000 homes a year by the mid-2020s.

3.2.21. The vital importance of housing to the economic success of our cities and regions is also highlighted in the Government White Paper *"Industrial Strategy: building a Britain fit for the Future"*, which was published in November 2017. This includes reference to the introduction of planning reforms that will ensure more land is available for housing, and that better use is made of underused land in our cities and towns. It also sets out the challenge to raise housing supply to 300,000 per year before the end of the current Parliament. The Government wants to support places with ambitious and

innovative plans to build additional homes where they are needed, and those which will support wider economic growth. Furthermore, the Government wants to support greater collaboration between councils, a more strategic approach to the planning of housing and infrastructure, more innovation and high-quality design in new homes and the creation of the right conditions for new private investment.

4. DUTY TO COOPERATE

4.1. Overview

- 4.1.1. The LP sets out that it is intended to form part of the Development Plan for all the London Boroughs which will provide the framework for addressing key planning issues facing the Capital. In effect, the LP seeks to supplant elements of Local Plan preparation by providing both housing requirements for all London Boroughs and setting out detailed development management policies on issues such as design.
- 4.1.2. The LP therefore needs to be very explicit on how London Boroughs are to implement the policies set out in the Plan and in particular, how they are to deal with the housing requirement and how the Duty to Cooperate (DtC) is intended to be complied with.
- 4.1.3. The Mayor of London has a statutory duty to inform and consult adjoining authorities on the proposals in the LP with the London Boroughs being responsible for discharging the DtC. However, as the LP is suggesting that there is no need for the London Boroughs to prepare Part 1 Local Plans, then an issue remains on their ability to discharge the Duty to Cooperate if, for example, issues of unmet housing needs raise their heads.
- 4.1.4. It is recognized that the LP categorically states that London is able to deliver its full housing needs within its own boundaries, but, as will be set out in greater detail in this representation, Gladman has serious doubts over whether this can actually be achieved.
- 4.1.5. If it cannot, then under the proposals set out in the LP, there is a real danger that unmet housing needs will simply remain unmet and will not be addressed by any of the surrounding authorities which have strong transport links with the Capital, potentially causing serious issues of exacerbating housing affordability in these locations as London residents seek properties outside of its boundaries.
- 4.1.6. The LP therefore needs to be explicit on how the issue of unmet housing needs should be addressed if, through the course of the implementation of the LP, deliverability issues occur which lead to a significant housing supply backlog and consequent unmet housing needs.
- 4.1.7. With the Mayor of London not being subject to the Duty to Cooperate and the London Boroughs not needing to prepare Part 1 Local Plans through which the Duty to Cooperate would bite, there is a serious concern that unmet housing needs will simply disappear into a black hole. Given the influence that London has on the Wider South East (WSE), and the fact that London's need represents one fifth of the country's housing needs, any shortfall in housing delivery would be responsible for a large gap in supply set against the nation's overall housing need.

5. LONDON PLAN HOUSING NEED

5.1. Background

5.1.1. The process of undertaking an OAN is clearly set out in the Framework, principally in §14, §47, §152 and §159 and should be undertaken in a systemic and transparent way to ensure that the plan is based on a robust evidence base.

5.1.2. The starting point for this assessment requires local planning authorities to have a clear understanding of housing needs in their area. This involves the preparation of a Strategic Housing Market Assessment (SHMA) working with neighbouring authorities where housing markets cross administrative areas as detailed in §159 of the Framework. The Framework goes on to set out factors that should be included in a SHMA including identifying:

“the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:

- **Meets household and population projections taking account of migration and demographic change;**
- **Addresses the need for all types of housing including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and**
- **Caters for housing demand and the scale of housing supply necessary to meet this demand.”**

5.1.3. Key points that are worth noting from the above are that the objective assessment should identify the full need for housing before the Council consider undertaking any process of assessing the ability to deliver this figure. In addition, §159 specifically relates to catering for both housing need and housing demand within the authority area. It is also worth pointing out that any assessment of housing need and demand within the SHMA must also consider the following factors; falling household formation rates, net inward migration, the need to address the under provision of housing from the previous local plan period, the results of the Census 2011, housing vacancy rates including the need to factor in a housing vacancy rate for churn in the housing market, economic factors to ensure that the economic forecasts for an area are supported by sufficient housing to deliver economic growth, offsetting a falling working age population by providing enough housing to ensure retiring workers can be replaced by incoming residents, addressing affordability and delivering the full need for affordable housing in the area.

5.1.4. Of particular importance is the need to consider market signals. The consideration of market signals is one of the core planning principles considered in §17 of the Framework, which states:

“Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities.”

- 5.1.5. Of critical importance is what the Framework goes on to say in §158 in the section discussing Plan Making. It states here that:

“Local planning authorities should ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals.”

- 5.1.6. Tackling market signals are therefore at the very core of what the Framework is trying to achieve in promoting sustainable development and boosting the supply of housing land.

- 5.1.7. The Planning Practice Guidance (PPG) gives further explanation as to what the Framework means with regards to market signals, and sets out in a range of paragraphs the way in which local planning authorities should go about factoring in relevant market signals in arriving at their OAN. §19 and §20 of the PPG gives guidance on what market signals should be taken into account and how plan makers should respond to these market signals. The below extract identifies some particularly pertinent points:

“The housing need number suggested by household projections (the starting point) should be adjusted to reflect the appropriate market signals, as well as other market indicators of the balance between demand for and supply of dwellings. Prices of rents rising faster than national/local average may well indicate particular market undersupply relative to demand.”

- 5.1.8. The paragraph goes on to indicate that these factors would include, but should not be limited to land prices, house prices, rents, affordability, rates of development and overcrowding. However, given what the Framework says at §17, quoted above, it seems clear that particular consideration should be given to affordability.

- 5.1.9. In order to consider how market signals should be taken forward §20 identifies some key concepts:

“Appropriate comparisons of indicators should be made. This includes comparison with longer term trends (both in absolute levels and rates of change) in the: housing market area; similar demographic and economic areas; and nationally. A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections.”

- 5.1.10. It is therefore clear that where market signals are apparent (in any of the indicators assessed) there is an absolute and clear direction that an upward adjustment to housing numbers is required. It is

also clear that both the level of change and the rates of change are considerations and that local planning authorities need to carefully benchmark themselves against other areas. This should not simply be a case of considering neighbouring authorities but should look at, as well as these, local authorities on a national basis, if the demographic and economic indicators are relevant. Gladman are firmly of the view that considering comparisons purely against neighbouring authorities is not sufficiently robust and does not address the underlying issues which both the Framework and the PPG are trying to tackle with regard to housing.

- 5.1.11. What is of further importance when considering these issues is the period of time analysed when considering both relative and absolute change. It has become apparent in our consideration of a number of plans that many local planning authorities choose to look at periods of time which are not fully representative of the depth of the housing crisis which we are currently within.
- 5.1.12. Gladman is of the view that local planning authorities must take a long-term view when considering affordability and consider the relative and absolute change over a long term 15-20 year period, which coincides with the normal time span of a Local Plan. Authorities should assess as a constituent part of their OAN, how they can improve affordability over the life time of a plan to a point where affordability is more in line with average earnings and affordable mortgage lending rates. They should assess a level of housing over the 15-20 year plan period which would enable this step change and consider its deliverability in the plan. Only through planning for significant housing growth can local authorities realistically tackle market signals in the way advocated by the PPG and tackle the affordability and housing crisis.
- 5.1.13. The need to identify the full OAN before considering any issues with the ability of a Local Planning Authority to accommodate that level of development has been confirmed in the High Court. Most notably in *Solihull Metropolitan Borough Council v (1) Gallagher Homes Limited (2) Lioncourt Homes Limited* where it was considered that arriving at a housing requirement was a two-stage process and that first the unconstrained OAN must be arrived at. In the judgment, it was stated:

“The NPPF indeed effected a radical change. It consisted in the two-step approach which paragraph 47 enjoined. The previous policy’s methodology was essentially the striking of a balance. By contrast paragraph 47 required the OAN [objectively assessed need] to be made first, and to be given effect in the Local Plan save only to the extent that that would be inconsistent with other NPPF policies. [...] The two-step approach is by no means barren or technical. It means that housing need is clearly and cleanly ascertained. And as the judge said at paragraph 94, “[h]ere, numbers matter; because the larger the need, the more pressure will or might be applied to [impinge] on other inconsistent policies”.

- 5.1.14. Therefore, following the exercise to identify the full OAN for housing in an area:

“Local planning authorities should seek opportunities to achieve each of the economic, social and environmental dimensions of sustainable development, and net gains across all three. Significant adverse impacts on any of these dimensions should be avoided and, wherever possible, alternative options which reduce or eliminate such impacts should be pursued. Where adverse impacts are unavoidable, measures to mitigate the impact should be considered. Where adequate mitigation measures are not possible, compensatory measures may be appropriate.” (NPPF §152)

5.1.15. This statement clearly sets out that local planning authorities should seek to deliver the full OAN and that this should be tested through the evidence base. Only where the evidence shows that this is not achievable, should they then test other options to see if any significant adverse impacts could be reduced or eliminated by pursuing these options. If this is not possible then they should test if the significant adverse impacts could be mitigated and where this is not possible, where compensatory measures may be appropriate.

5.1.16. The final stage of the process is outlined in §14 and involves a planning judgement as to whether, following all of the stages of the process outlined above:

“Local Plans should meet OAN, with sufficient flexibility to adapt to rapid change, unless:

- **any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this framework taken as a whole; or**
- **specific policies in this Framework indicate development should be restricted.”**

5.1.17. It is also worth noting that the final part of this sentence refers to footnote 9 of the Framework which sets out the types of policies that the Government consider to be restrictive. These include:

“sites protected under the Birds and Habitat Directive (see paragraph 119) and/or designated as Sites of Special Scientific Interest; land designated as Green Belt, Local Green Space, an Area of Outstanding Natural Beauty, Heritage Coast or within a National Park (or the Broads Authority); designated heritage assets; and locations at risk of flooding or coastal erosion”.

5.1.18. Although this list is not exhaustive it is clear that local landscape designations, intrinsic value of the countryside, character of areas, green gaps etc. are not specifically mentioned as constraints by the Framework.

5.2. The London Plan Housing Requirement

- 5.2.1. The LP sets out that the overall housing need for the Capital is 66,000 new homes each year for at least 20 years, a significant increase on the current London Plan's assessment of housing needs of some 49,000 units. The current London Plan's assessment of land supply in the Capital is 42,000 units per annum. Therefore, in order to deliver the full 66,000dpa required under the new London Plan will take a significant step change in housing delivery in all of the London Boroughs.
- 5.2.2. Recent housing delivery in London has lagged significantly behind even the current London Plan's housing requirement with around 38,500 net completions in 2015/16. Therefore, serious concerns must be raised over the Capital's ability to ramp up delivery to achieve 66,000dpa completions in 2019/20 and beyond.
- 5.2.3. Setting this aside for the time-being, Gladman also has significant concerns with the Greater London Authority's (GLA) assessment of housing need as we consider that the true housing need in the Capital is significantly higher.
- 5.2.4. The latest ONS household projections for London for the period 2016-2039 is 54,000dpa which is higher than the GLA's central variant household projection of 48,200dpa upon which the London Plan is formulated. However, the GLA make a series of adjustments to this figure to arrive at a demographic starting point for the calculation of housing need of 55,540dpa.
- 5.2.5. However, it is the adjustments made to the demographic start point to take account of market signals where Gladman has serious concerns.
- 5.2.6. The methodology for undertaking an assessment of housing and employment needs is clearly established in the Framework and is expressed in great detail in the Planning Practice Guidance (PPG). However, the GLA fail to follow this methodology when considering the issue of market signals.
- 5.2.7. The GLA simply calculate a housing backlog figure of 8,761dpa which represents housing undersupply in the Capital and adds this to the demographic starting point of 55,540dpa. This results in an overall housing need figure for London of 66,000dpa, once an allowance has been added to account for vacant homes (1.8%). However, this approach is not supported by Government guidance and as a consequence, it results in a housing need which significantly underestimates the true need in the Capital.
- 5.2.8. The Government's recent consultation on housing need assessments is set out in its 'Right Homes Right Places' consultation paper (September 2017) which clearly outlines that the Government's key driver is to tackle housing affordability across the Country. As London suffers from severe housing affordability issues, with the average affordability ratio across all London Boroughs being in excess of 15, it is somewhat surprising that the LP does not tackle this issue head on.

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- 5.2.9. If one looks at the Government's proposed standardized approach to calculating housing need, the LP should be delivering 72,407dpa, some 6,000 units higher than is currently proposed. Of course this is a capped figure to allow, authorities who may experience significant increases in their housing requirement, time to adjust. The uncapped figure for London would be 95,267dpa.
- 5.2.10. Gladman therefore consider that the most appropriate housing requirement for the London Plan, if the country and London is to truly begin to address the housing affordability crisis, of the uncapped figure from the proposed standardized methodology.

6. LONDON PLAN HOUSING SUPPLY

6.1. Overview

- 6.1.1. As set out above, London needs a considerable step change in delivery if it is to achieve 66,000dpa from 2019 onwards. Given its past performance in housing delivery, achieving this ambitious target is highly questionable.
- 6.1.2. The latest version of the London SHLAA, whilst a significant piece of work, is a theoretical exercise of assessing the capacity of sites and their likelihood of coming forward. Whilst it is appreciated that because of the scale of London, a more detailed and bespoke approach is onerous, the approach taken by the GLA means that the assumed capacity of London to deliver housing is untested.
- 6.1.3. The only way to properly test the assumptions made in the SHLAA exercise is through the respective Local Plan allocations or similar documents to be prepared by the London Boroughs following the adoption of the London Plan. This will mean that until the allocations documents are prepared and examined, the capacity of London to deliver will remain, theoretical.
- 6.1.4. The SHLAA includes a number of sources of housing supply which the GLA consider will contribute to meeting London's housing needs. These sources of supply include Large Sites, including approvals, allocations, potential sites and low probability sites, Small Sites and Windfalls.
- 6.1.5. The large site approvals included in the SHLAA could reasonably be expected to be brought forward and contribute to the housing supply. However, some may slip in terms of timescale or may not be brought forward at all. Therefore, a suitable lapse rate should be applied to these sites as a contingency to ensure that the land supply calculation for London is as robust as possible.
- 6.1.6. In terms of large site allocations included within the SHLAA, in order for these to be properly assessed for suitability and deliverability, they need to be tested through the preparation of the site allocations documents by the London Boroughs. It is only through this process that any individual allocation can be robustly justified.
- 6.1.7. The above statement also applies to the Large Sites with potential as they would similarly have to be tested at a local level to ensure they are suitable and deliverable.
- 6.1.8. In terms of the Large Sites with low probability, although they only make up a fairly small proportion of the potential supply, because there is only a low probability that they will be brought forward, they should be removed from the sources of supply in order to ensure that the assessment of supply of housing for London is as robust as possible.
- 6.1.9. Moving on to small sites, the SHLAA includes a significant proportion of modelled small sites in the sources of supply. These modelled small sites are indicative and are not based upon an actual assessment of identified individual sites. They are, to all intents and purposes, windfall sites and

may cross-over with the windfall allowance also included within the housing supply, potentially constituting an element of double counting.

- 6.1.10. Finally, the supply assessment includes a windfall allowance of some 5,738dpa. It is of course, entirely legitimate for a windfall allowance to be included within a plan, if sufficient evidence is provided to justify its inclusion in line with paragraph 48 of the Framework. However, it would appear to Gladman that its inclusion, alongside the modelled small sites contribution, could inflate the potential housing supply assessment by a significant proportion due to double counting. A more cautious approach to these two elements of the supply is therefore required in order to ensure that the housing supply is as robust as possible.
- 6.1.11. Gladman therefore contend that the overall capacity for small sites and windfalls in London should be 13,000dpa which is considered to be far more robust and deliverable.

6.2. Deliverability

- 6.2.1. Having identified significant concerns with the sources of housing supply relied upon for the LP, Gladman also has concerns as to whether these can practically be delivered with sufficient expedience to ensure that 66,000dpa is achieved from 2019/20 onwards.
- 6.2.2. Many of the sources of supply listed above need to be tested at a local level through the preparation of site allocation documents, or similar processes, to ensure they are deliverable. Given the need for haste and the poor progress made by many London Boroughs on the preparation of Local Plans to support the current London Plan, it is highly doubtful that site allocation plans can be put in place with enough rapidity to support significant increases in supply by 2019/20. This level of delivery would also have to be sustained, year on year from 2019 onwards; a colossal feat.
- 6.2.3. When compared with previous housing targets, performance of the London Boroughs has been poor, further illustrating the enormity of the task facing the GLA and London Boroughs.

6.3. Unmet Housing Need

- 6.3.1. Given all of the above considerations, coupled with the fact that there is an inherent unmet need already included within the London Plan of 1,000dpa (the difference between the theoretical capacity of 65,000dpa and housing requirement of 66,000dpa), it is inevitable that there will be unmet housing need originating from within London which will need to be dealt with.
- 6.3.2. The extent of this unmet need could be considerable, especially considering the issues raised above in terms of the certainty of the assumed housing supply capacity, the poor past delivery rates of the London Boroughs and the potential for the housing requirement to be considerably higher than contained in the draft LP.
- 6.3.3. All of these factors have the potential to increase the unmet housing need originating in the Capital to a significant level which, when set in the context of the contribution London makes to the

national supply of housing, could be considered to be nationally significant. This cannot be simply ignored and be allowed to go unmet, especially given the complications raised above with the Duty to Cooperate.

- 6.3.4. The LP therefore needs to include a suitable, robust mechanism that will deal with any unmet need arising in the Capital in an expedient manner through the Duty to Cooperate with authorities adjoining the capital. If it is not, this level of unmet need will cause significant issues for the surrounding authorities as London residents, unable to find suitable units in London, purchase houses in the surrounding authorities. This will have a significant effect on the affordability of these areas which are already suffering from unaffordable house prices.
- 6.3.5. Unmet housing need from London should therefore be picked up by the surrounding authorities which already have, or are planned to have, good public transport links with the Capital. The Mayor should facilitate this through the LP and through his duty to inform and consult and the London Boroughs' Duty to Cooperate on the preparation of their allocation plans.

7. SPATIAL DEVELOPMENT PATTERNS

7.1. Policy SD2 Collaboration in the Wider South East

- 7.1.1. The issue of unmet housing needs originating from London is not a new one. The current London Plan generates 7,000 units of unmet need per annum, but the experience to date is that this need simply goes unmet and is not being picked up on any systematic basis by the surrounding authorities. Some make a nominal adjustment to their assessments of housing need to account for increased out-migration from the Capital, but this is far from a universal or scientific approach. In order to ensure that this unsatisfactory position does not continue, the LP needs to attack this issue head on.
- 7.1.2. Whilst it is acknowledged that the LP considers that it can meet its needs within its own boundaries, there is the small matter of the 1,000dpa of unmet need referred to in para 6.3.1 above, along with considerable uncertainty that London can actually fulfill its commitment to deliver 66,000dpa.
- 7.1.3. Policy SD2 therefore needs to be more explicit than it currently is on its collaboration with the WSE. Currently the Policy states that the Mayor will work with partners across the WSE to address appropriate regional and sub-regional challenges through recently developed strategic coordination arrangements. This criterion is vague at best and whilst the intention to work with the WSE is commendable, the LP should specifically set out a mechanism within the Policy which would effectively deal with the distribution of unmet housing needs from London, should it arise.
- 7.1.4. Criterion D of Policy SD2 is also vague and woolly, stating that the Mayor supports the recognition of long-term trends in migration in the development of Local plans outside of London.
- 7.1.5. Policy SD2 therefore recognizes the problems facing the WSE as a result of its proximity to London, but does not offer any practical solutions to this issue. The strategic role of the Mayor in assessing need and how this is apportioned across the 35 local planning authorities of London suggests that the Mayor must be responsible for ensuring that collectively the London planning authorities comply with the duty to cooperate.

7.2. Policy SD3 Growth Locations in the Wider South East and Beyond

- 7.2.1. Policy SD3 should be redrafted to clearly state that the Mayor will work with the WSE and other partners through the Duty to Cooperate to realize the potential of the wider City Region. This will significantly strengthen the Policy and will give a clear steer to the WSE that simply ignoring the needs of the Capital is not an option.
- 7.2.2. The Policy should also include specific reference and support to the report of the National Infrastructure Commission on the Cambridge-Milton Keynes-Oxford growth corridor. This report considers the case for increased investment and development along the corridor including providing for many more houses than current assessed needs suggest are needed. The report

argues that to help improve affordability; and accommodate unmet needs implicit in the current London Plan, planned supply would need to increase from 20,000dpa as the OAN identified by existing plans to 30,000dpa. This is the only tangible growth option that is being considered for the WSE.

8. OTHER LONDON PLAN POLICIES

8.1. Policy GG1 Building Strong and Inclusive Communities

8.1.1. Gladman support Policy GG1 and the recognition that London should continue to generate a wide range of economic and other opportunities and that everyone is able to benefit from these. Providing access to good quality services and facilities is essential to increase social integration. However, competition for the scarce resource of land in the Capital may mean that the pursuit of housing land to meet the 66,000dpa leads to a lack of land for new services and facilities. The LP should ensure that a balance is struck between the delivery of housing and the enhancement of services and facilities.

8.2. Policy GG2 Making the Best Use of Land

8.2.1. Whilst Gladman support Policy GG2 and its focus on making the best use of land, especially as London needs to significantly increase housing supply, we object to Criterion A as prioritising the use of brownfield land is not in conformity with the advice contained in paras 17 and 111 of the Framework. These only seek to encourage the use of brownfield land not prioritise it.

8.2.2. Gladman also consider that, given the need for London to significantly increase its housing delivery to 66,000dpa, accompanied by the fact that land is a scarce resource in the Capital which may be required for a variety of uses other than housing (including employment, services, education and open space), a review of the Green Belt as part of the LP is a missed opportunity.

8.2.3. Whilst Gladman recognize the need to protect the general extent of the Green Belt surrounding London, a detailed assessment of all Green Belt land within the London Boroughs as part of the evidence base for the LP may have identified parcels of land which do not contribute significantly to Green Belt purposes. These parcels could then have been investigated for release from the Green Belt to augment housing delivery from other sources. It is therefore important for the London Plan not to preclude the London Borough's ability to review Green Belt boundaries should they consider that they need to in order to meet their employment and housing needs.

8.3. Policy H1 Increasing Housing Supply

8.3.1. Policy H1 states, in Criterion A, that Table 4.1 of the LP sets ten-year targets for net housing completions that each local planning authority should plan for. This is a significantly foreshortened plan period beyond which, there is no indication of what would happen. Whilst it is envisaged that the LP will be reviewed before the end of this period, there is no guarantee that this will happen. Therefore, Policy H1 should make specific reference to what happens after the ten years has elapsed and how the London Boroughs should deal with the housing targets should a new LP not be in place at the end of the ten years.

- 8.3.2. Because of the issues highlighted above and because of the considerable uncertainty surrounding London's ability to deliver 66,000 units from 2019 onwards, a review mechanism with specific trigger events should be introduced into Policy H1. This review mechanism should be triggered immediately upon any failure to meet the 66,000 units in any year with an end date for completion of the review 2 years after commencement. This is especially important because of the foreshortened Plan period.
- 8.3.3. The Policy should also be amended to set out that the London Boroughs should identify, if possible, sites above and beyond the housing requirement set out in the LP in order to provide flexibility, should other allocations not come forward as envisaged. These sites could also provide additional flexibility should unmet housing need occur within London as a whole.

8.4. Policy H2 Small Sites

- 8.4.1. It is supported that the GLA are proposing that small sites should play a greater role in housing delivery and that the London Boroughs should pro-actively support new homes on small sites. Criterion B(1) is particularly supported given the recognition that local character changes over time and will need to change in appropriate locations. This is an important consideration when London needs to deliver the level of housing set out in the LP and communities need to be made aware that change is inevitable. This consideration should not just be limited to small sites, as much of London will experience change if the housing targets are to be realised.
- 8.4.2. Gladman have already raised concerns over the GLA's assessment of the contribution that small sites are likely to make to the housing supply in London in paragraphs 6.1.9 to 6.1.11 above so they are not repeated here for brevity.

8.5. Policy H3 Monitoring Housing Targets

- 8.5.1. Gladman object to Criteria C and D of Policy H3 as non-self-contained accommodation for students and the elderly should not count towards general housing market completions. These units will not be available on the open market and will have qualifying purchase criteria attached to them. They should however, count towards completions against the need for student or elderly accommodation and these needs should accordingly be separated out from the OAN and planned for separately.

8.6. Policy H15 Specialist Older Persons Housing

- 8.6.1. Gladman consider that Policy H15 should require the London Borough's to plan to meet the annual borough benchmark figures for the provision of Specialist Older Persons Housing set out in Table 4.4 of the Plan. Given the Government's focus on the provision of such accommodation, accompanied by the poor performance of the London Boroughs against the previous London Plan's targets, this strengthening of the Policy will help to ensure sufficient provision is made for London's ever increasing older persons population.