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Mayor of London
New London Plan
GLA City Hall
London Plan Team
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2 March 2018

Dear Mayor

**MAYOR OF LONDON DRAFT NEW LONDON PLAN
REPRESENTATIONS ON BEHALF OF LEGAL & GENERAL CAPITAL**

These representations are submitted on behalf of Legal & General Capital (LGC) in respect of land holdings adjoining Gatwick Airport.

Further representations will be made by other parts of the Legal & General Group.

LGC is tasked with seeking and promoting long term investment opportunities, that can contribute to a sustainable pattern of development in meeting the Country's housing and employment needs.

As part of its strategic investments, LGC owns land adjacent to key transport infrastructure such as airports. This includes land (circa 155 acres) within the southern part of Mole Valley District Council (MVDC) in proximity to Gatwick Airport. LGC is also in discussions with surrounding landowners. Please refer to the enclosed site plan which shows the extent of land LGC owns and has an interest in. This land is being promoted through the MVDC Local Plan as a location for accommodating airport and non-airport related employment growth. Whilst the site falls within Mole Valley, it lies within close proximity of Reigate and Banstead, and Crawley; which fall within West Sussex.

The promotion of this site typifies the challenge facing the Mayor in meeting the identified needs of London and the relationship of those needs and policy response to the Wider South East (WSE) and the opportunity presented by investment in and expansion of transport infrastructure.

The draft Plan sets out an ambitious target for meeting housing needs as well as retaining employment floorspace capacity, all within the confines of no review of the Green Belt.

LGC welcomes the approach of the Plan in bringing forward the commentary on opportunity areas and the spatial approach to Chapter 2. However, we are concerned that the content of this important section is too light, lacks sufficient strategic vision and is not effective: there being no detail as to implementation, resolution of cross border or boundary conflicts and in short, how housing and employment requirements and the strategic response thereto is to be planned and delivered. Furthermore, the Plan is predicated on significant expansion in public transport, some of which, such as Crossrail 2, is not confirmed and the timing of delivery, in relation to the 10 year time horizon of the stated housing requirement. At para 2.1.11, the draft Plan simply states that housing and employment will need to be phased to reflect delivery of transport infrastructure, but this assumes



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that any delay occurs within the Plan period and that the issue is only one of timing as opposed to the principle of delivery.

Legal & General Capital:

LGC focuses on direct investments in key sectors, including housing, employment, infrastructure and SME finance. These reflect LGC's aim to invest for the long term in economically and socially useful assets, to secure competitive returns and to create new asset classes for LGC's varied investment requirements, for partners and for the wider marketplace. LGC works closely alongside other businesses within the Legal & General Group to ensure the broadest range of skill sets are deployed on any project and to utilise principal investment and asset management synergies across the Group. Core values of LGC are as follows:

Active Capital – Utilising in-house talent base and ever expanding network of strategic partnerships, LGC originate, create and develop investment opportunities, often applying innovative solutions to unlock complex deal flow.

High Quality Earnings – Using the highest levels of risk management and corporate governance, LGC provides shareholders with a strong, stable income stream throughout market cycles, supporting LGC's growth trajectory.

Early Movers – Identifying new institutional asset classes and long term macro trends, LGC acts as catalysts of economic growth, executing strategies that take advantage of the strong returns that exist for long term, skilled capital.

Corporate Synergies – Generating value across the Group, LGC acts as a facilitator, enhancing the business's earnings and growth potential by increasing its access to clients, assets and customers.

Maximising synergies across the business, LGC drives multi-stranded profit lines as well as enhancing LGC's wider social impact and influence.

Partners of Choice – Long term, long vision capital with the flexibility and skill sets to maximise additional opportunities/ optionality, LGC chooses to partner with like-minded, forward thinking private and public sector organisations.

LGC is committed to unlocking investment opportunities and supporting economic growth. It aims to invest in economically and socially useful assets from conception to delivery for the long term, focusing on direct investment in key sectors including housing, employment, infrastructure and SME finance.

London and the Wider South East (WSE):

The draft Plan sets an ambitious target of 649,350 new homes to be delivered across London over a 10 year period (2019/20-2028/29). In terms of employment growth, the associated evidence base identifies a positive net demand for industrial space in London over the period 2016-2041, with the scope to release a further 233 hectares of land. However, as the Plan acknowledges, some 185 hectares of industrial land already benefits from permission, with a further 653 hectares earmarked for release in policy designations, such as opportunity areas.



As with housing, London is reliant upon the WSE to meet its employment requirements. The economy of London and the WSE are inextricably linked and this should be reflected and addressed in greater detail in the draft Plan.

Para 2.1.68 and 2.1.69 address the strategic growth corridor, linking London to Gatwick and the south coast: '*Trams Triangle/London-Gatwick-Brighton Mainline*', together with Figure 2.11. Para 2.1.69 acknowledges that the corridor links beyond London's boundaries but provides no analysis or policy response to this linkage and simply points to Figure 2.15(9), which identifies the corridor of '*Brighton Mainline*' (London-Gatwick-Brighton) as a Strategic Infrastructure Priority.

At para 2.2.4, the draft Plan points to the non-statutory strategic structure that has been put in place which it states provides the basis for co-ordinated approaches to Government. However, the Plan in essence defers collaboration on locally specific cross border matters to the exercise of the duty to co-operate between individual authorities.

In short, there is no strategic policy response to address the opportunity presented by growth in the Gatwick triangle and the contribution that the continued success of Gatwick as an employment and growth generator can be of benefit to London and co-ordinated.

The Gatwick Opportunity:

The airport falls within Crawley Borough and West Sussex, but adjoins Mole Valley District, Reigate and Banstead District as well as lying in close proximity to Tandridge and Mid Sussex District Councils.

The effect of the airport in driving economic growth cannot be under estimated.

The Gatwick area falls within the Capital to Coast LEP, which does not include London Boroughs nor the Mayor. In the report by Centre for Cities for the LEP "*The Economic Geography of the Gatwick Diamond*" (October 2017), a total of 37,400 residents from the GLA area come to the Diamond to work, accounting for 37% of external commuters. 10,300 come from LB Croydon and 9,300 from LB Sutton (see page 28). 13% of jobs within the Diamond are located at either the Areas of Manor Royal or the Airport (see page 17).

The Government is considering the response to the recent consultation on the draft NPS on aviation which signalled the expansion of Heathrow. It is understood that a vote will be held in Parliament to agree (or note) the final NPS. The decision to expand Heathrow and not Gatwick is not therefore certain and Gatwick may still yet be identified as the location for additional runway capacity. Such an increase in capacity will only serve to increase the employment growth associated with Gatwick and increase its functional relationship with London.

If this were to occur, this in our view would trigger a fundamental review of the spatial strategy and we say, including the policy response of the Mayor of London.

The draft Plan at para 2.1.63 signals that the Mayor will review and clarify the area's potential contribution when expansion proposals for Heathrow are "clearer" but provides no such acknowledgement in respect of Gatwick.

If the expansion of Gatwick is signalled by Government, one option would be to establish a development corporation or similar to plan for the growth and economic benefit that would arise.



Regardless of any decision on runway capacity at Gatwick, the Gatwick area will continue to grow and the employment and housing growth that results must be accommodated.


What the Plan should say:

Whilst we welcome the recognition of the relationship of the Gatwick area to London, the Plan is silent in terms of policy response. The Plan should actively plan for:

- Increasing employment creation in the Gatwick Area that assists in meeting London's needs;
- Recognise and plan for the continued growth of the airport and the area in general;
- As a contingency, consider the effect of an increase in runway capacity at Gatwick, with or without an expansion at Heathrow.

In terms of the latter, such a fundamental change in economic investment should be reflected in a cross-border policy response. We appreciate that the opportunities for formalised strategic planning is limited in the current statutory context. However, this simply places a greater burden on the Mayor to actively plan for such external forces.

Yours sincerely


Senior Planning Partner

Enc. See above

