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New London Plan
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Representations to the draft London Plan (December 2017)

Lendlease welcomes the opportunity to respond to the Mayor's consultation on the draft London Plan ("draft Plan").

Lendlease is committed to making a significant contribution to the delivery of new homes and commercial space in London. Our vision to 'create the best places' is at the heart of our approach as we continue to deliver large-scale developments and regeneration at Elephant Park in Elephant & Castle, the International Quarter in Stratford and the Timberyard, Deptford. We will also be bringing forward proposals for estate renewal and regeneration in Haringey at High Road West.

These developments will deliver a significant number of affordable homes, office and retail space, provide high numbers of local jobs, new community spaces, exceptional public realm, new public spaces and parks. Each development will deliver a high quality new place, designed to meet the needs and aspirations of our government partners and local communities, and contributing to the wider success of the growth and revitalisation of the capital.

We support the ambition to substantially increase housing delivery in the capital through the proposed 'good growth' concept and welcome the GLA's continuing commitment to keeping the London Plan regularly updated. This is crucial to ensuring that the Plan remains relevant in addressing the challenges facing London and can take advantage of emerging opportunities. It is essential that London keeps up with the need for new development if it is to continue to be a world class city in which to live and work.

We welcome and share the aspirations of the draft Plan. The proposed housing requirement represents a significant increase upon the current minimum target and is substantially above current delivery rates. It therefore represents an important step in the right direction, but this necessarily ambitious target must be matched by a robust approach ensuring that development will be viable and hence delivered. Aspirations for large percentages of affordable housing are meaningless if they cannot be delivered in reality.

We recognise the challenge for London in delivering a 'step change' in housing delivery as well as the need to deliver the necessary infrastructure to support this growth. For this reason, it is essential that as part of the London Plan making process, the Mayor tests the viability of policies coming forward. As stated in the Plan, Outer London and Strategic Sites within Opportunity Area's (OA's) located within the Growth Area's will provide a substantial proportion of this growth. The Mayor must ensure that the sites are not over burdened with competing demands for homes and infrastructure which would render them unviable.

Ensuring deliverability goes to the heart of the planning system and in this regard the NPPF (para. 173) sets out clear guidance stating that:

"Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking. Plans should be deliverable. Therefore, the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened."



In our view, the policies of the draft Plan together with the draft MCIL2 add to the burdens that are already faced in bringing forward development on some complex brownfield sites, in the absence of a suitable evidence base. This therefore raises a likelihood that the delivery of much needed homes will be impacted. Policies should not be at such a level that, individually or cumulatively, they prevent development coming forward.

The issues of deliverability and viability are key, given the acute housing and development pressures in London and the urgent need to address these on previously developed land. Such sites face complex and unique challenges for developers. As such, it is our view that the Plan would benefit from modifications to ensure that it is streamlined, fully focused on delivering its growth objectives and does not hold back innovative development.

Lendlease would welcome the opportunity to share the insights we have gained from delivering large scale developments in London and overseas and would greatly welcome the opportunity to be involved in the Examination in Public of the new London Plan.

Review of Policies

We comment on specific policies in the section below, following the order of policies in line with the draft Plan. Section 41 of the GLA Act states that the London Plan should be consistent with national policy and we note that the Inspector of the FALP made clear that while the London Plan is not a Local Plan it was it reasonable and appropriate to apply the soundness tests of paragraph 182 of the NPPF. We consider that this approach remains appropriate to the examination of the draft Plan and assess the draft policies against this.

Policies GG1 – GG6 (Good Growth)

Lendlease support the policies which under pin the Mayor's good growth strategy. Our developments are welcoming with high quality public spaces and parks for everyone to enjoy. We seek to create inclusive healthy communities making sure our developments 'knit' within the communities that already exist, breaking barriers that prevent many from participating fully in their communities. We strike to make the best use of land, meeting London's diverse needs - delivering high quality homes, which have good accessibility to transport infrastructure and local facilities. Our developments include high quality fit for purpose commercial space, contributing to London's growing economy and providing jobs for local people. We place great emphasis on environmental sustainability, ensuring our schemes meet the needs of people now and far into the future, not least by minimising their contribution to climate change. It is within this context that we generally support policies GG1 – GG6.

Notwithstanding this, in regard to Policy GG4 (Delivering the Homes Londoners Need), there is a fundamental tension in the relationship between Parts A and B of the Policy, which seeks to deliver more homes whilst setting a strategic target of 50% of all new homes being genuinely affordable (increased from the current requirement to deliver the maximum reasonable amount). It is acknowledged that the delivery of affordable housing is of paramount importance. However, requiring a level of affordable housing that goes beyond that which a development can viably provide has the potential to impact on the overall delivery of homes. We therefore recommend a more measured approach to affordable housing requirements.

Policy SD1 (Opportunity Areas)

Lendlease strongly supports the continued promotion of OAs, particularly the requirement to ensure that the Mayor's agencies work together with others to promote and champion OAs, and the requirement for Boroughs, through Development Plans and decisions, to set out how they will encourage and deliver the growth potential of OAs, and recognise that larger areas can define their own character and density.



Lendlease considers this remains an important designation which seeks to increase housing provision, economic activity and employment opportunities. We note that many of the OA's are closely aligned with the need for strategic infrastructure; in some cases, there will be a need to front load the required the infrastructure provision in order to unlock the potential of some sites, increase the PTAL rating to realise the density and optimised housing delivery. Where this is the case, the Mayor will need to carefully balance priorities including affordable housing to ensure development is not overburdened.

Lendlease fully support the intention to extend the Bakerloo line from Elephant and Castle to Lewisham, this will provide a key connection through Southwark which will unlock the potential for new homes and jobs within the Old Kent Road OA and help crystallise the regeneration of the Elephant and Castle.

Figure 2.11 – Central London Opportunity Areas – Lendlease welcomes the increased employment capacity target for the Elephant and Castle Opportunity Area (from 5,000 jobs to 10,000 jobs), which recognises the opportunity to deliver further significant new development within the area, noting that Policy SD 5 (as discussed below) seeks to give employment and residential development equal weight within the area.

Policy SD4 (The Central Activities Zone (CAZ))

Whilst the long-term ambition for the Elephant and Castle Opportunity Area to be included within the CAZ (Figure 2.16) is welcomed, Lendlease considers Elephant and Castle's inclusion in the CAZ at this point to be premature. The vision for the Elephant and Castle Opportunity Area is set out in the Elephant and Castle SPD (2012) which seeks to create an enhanced and vibrant central London destination. The SPD sets strategic delivery targets of 45,000 sqm of new shopping and leisure floorspace; 25,000-30,000 sqm of business floorspace. Non-residential uses are therefore critical in achieving this vision to help deliver the target of enhanced London Plan target of 10,000 new jobs in the area and to create the new employment growth corridor to link with the Old Kent Road Opportunity Area.

Lendlease is concerned that the inclusion of Elephant and Castle in the CAZ at this time will undermine realisation of the strategic vision by harming the viability of non-residential development and fettering the delivery of significant commercial and retail schemes in the area and place jobs, growth and vitality needed for the emerging town centre at risk. This is contrary to adopted and emerging local and regional guidance which seeks to re-establish Elephant and Castle as a vibrant Major Town Centre following decades of decline.

A key component of Lendlease's Elephant Park masterplan is the delivery of affordable retail and small business floorspace. These uses by their very nature are delivered on the fringes of viability and delivered at a commercial loss for the benefit of the area. The associated burden of CAZ inclusion will have the effect of limiting such delivery to the detriment of existing traders and small, independent operators. Elephant and Castle may be more appropriately designated as a CAZ reserve location, through part N (3) of the proposed policy, to be included once the regeneration aims are achieved.

Lendlease considers that a wider review of the CAZ would be worthwhile to reflect the eastwards shift of the City and the significantly increased housing targets.

Policy SD5 (Offices, Other Strategic Functions and Residential Development in the CAZ)

We agree that the Elephant and Castle Opportunity Area has potential to deliver greater levels of housing alongside employment than the other CAZ Opportunity Areas. As such, we strongly support Policy SD5, which stipulates that offices and other CAZ strategic functions may be given equal weight relative to new residential development.



Lendlease generally support Stratford as a future potential reserve location for CAZ office function; however, this should be based on evidence of local need at the point of time in the future and needs to be carefully balanced against the delivery of housing and retail, office space should not be prioritised without assessment.

Policy SD6 (Town Centres)

We support the promotion and enhancement of London's town centres, particularly regarding the potential for new housing within and on the edges of town centres, realised through higher-density mixed-use or residential development, capitalising on the availability of services within walking and cycling distance, and their current and future accessibility by public transport.

This is a sound strategy recognising the greater public accessibility and services available within them. In particular we support part D which identifies town centres are particularly suited to smaller households and Build to Rent.

Having regard to Part I, we note that town centres will not be the only suitable location for social infrastructure. It should be located suitably for the community it serves, and while this will often be town centre locations, other locations could be more suitable. This should be applied flexibly dependant on the actual facility, size and priority.

Policy SD7 (Town Centre Network)

Figure 2.16 – CAZ Diagram - We fully support the upgrading of Elephant and Castle / Walworth Road from a District Centre to a Major Centre, which recognises the growing role of Elephant and Castle as a place to live, work and shop.

Policy D2, D4, D6 & D7 (Design Policies)

Creating the best places is at the heart of Lendlease's rational when delivering our schemes; we seek to place-make in a manner that strengthens what is valued in a place, whilst considering the liveability, environmental sustainability and longevity of a place. The delivery of high quality design and exceptional public realm is intrinsically linked to this and as such, we support the Plans draft policies seeking to deliver good design. In particular, we support the approach taken in relation to Review Panels and Masterplan Design Codes. We also place a heavy emphasis on community consultation and embrace new technologies such as Virtual Reality which has had a positive impact on collaborative workshops inside verified 3D models which is also highlighted in the draft policy.

We note that policy D4 now incorporates detailed design criteria from the Housing SPG. Whilst we agree that the Minimum Space Standards should remain, the overly prescriptive wording is unnecessary and not suitable for a Strategic Plan. Such details should either be left for the Borough's to set out within their Local Plans or SPD's or such details should remain within a Guidance Document.

We acknowledge that the Density matrix has been removed. Whilst we generally support this approach, we would like to highlight that its use, particularly in outer London Boroughs is extremely beneficial when justifying higher densities, where such schemes are not as common. With the Mayor's strong approach to intensification and high densities and the focus of growth towards Outer London, it could be prudent to set minimum density expected in particular areas within the Outer London Boroughs.

It should be noted that density is just one characteristic of a development and should not be considered in isolation from other issues such as design quality, residential amenity and impacts on the surrounding



environment. It is also not clear what such a management plan would require and how it would interact with other pre-existing requirements such as delivery and servicing plans.

We support the approach proposed in part (G) of draft policy D7 in relation to public realm management. We support the approach of the Public London Charter and Lendlease would welcome further discussion with GLA officers on this matter.

Policy H1 (Increasing Housing Supply)

As stated Lendlease fully support the Mayor's aim to deliver a step change in homes growth, we also support the concept of Good Growth and the six objectives which sit within its definition. Policy H1 provides the key steer of the housing growth and the measures set out within this policy provide a logical approach to delivering intensification of development sites, which is supported. However, the identified supply in the SHLAA which provides the basis of the housing targets is insufficiently robust and accordingly the policy is not effective as it has not been demonstrated that it could be delivered over the plan period.

The targets for housing delivery (Table 4.1) covers 2019/20 – 2028/29 which is a relatively short period, less than the 15 years recommended in the NPPF (para. 157) for a Plan. The SHLAA (para. 5.1) assess the large sites supply to be approximately 40,000 dwellings per annum. The anticipated supply is broken down into the following categories: approvals - 35%, allocations - 39%, potential development – 25% and low probability – 1%.

Given the short time frame and urgency to boost supply, this is not considered to be a wholly appropriate approach. Paragraph 47 of the NPPF requires plans to identify and update annually a *“supply of specific deliverable sites and identify a supply of specific developable sites or broad locations for growth for 6-10 and, where possible, for 11-15 years”*.

The information provided on each of the approval sites within Appendix E of the SHLAA is limited. It is not evident whether sites have detailed planning permission or just outline permission, or whether sites have been granted outline permission with an extended period to implement the permission. We note that the very largest sites have not been assumed to all be delivered before 2029. It is still likely that more modestly sized sites with outline planning permission on which the owners may not have vacant possession and/or be capable of building out the development themselves will not be fully complete by March 2029. On this basis, it is suggested that Table 4.1 be updated to provide more detail so that a proper assessment can be made.

The inclusion of 'potential sites' within the land supply is an unusual approach and too vague, particularly given the scale of housing they are relied upon to deliver, c. 100,000 homes by 2029. Many sites do of course have potential for housing development, but finding those which have a willing owner, can be viably developed, are considered acceptable by the LPA and can deliver housing before 2029, may be limited. The SHLAA does not fully deal with these important issues and assumes that a percentage will come forward, though the workings and evidence behind this probability based approach is lacking.

A proper assessment of whether these sites can be delivered over the plan period must be subject to examination in public and, currently, it would appear that the only way this could be done is through LPA's local plans. As the sites are, by definition, not already included within the plans of those LPA's with published emerging plans, these sites will need to be identified in plans coming forward from now onwards. In a confined city that has already been subject to intense development pressure over many years, it is optimistic to assume that capacity for 100,000 homes could be delivered on sites which have not to date been promoted, or promoted and rejected, as part of the LPA local plan preparations.

The low probability sites allowance, while small, is also optimistic, given that these sites have issues such as 'substantial land ownership issues' or in a 'social infrastructure or community use where there is a low



probability of additional housing delivery before 2041' (SHLAA 2.114). Such sites should not be relied upon to deliver housing supply by 2029, though it is acknowledged they make up a very limited component of it.

In summary, the SHLAA, at present, does not provide sufficient indication of its deliverability over the short period to which the housing requirement targets in draft policy H1 apply. For the plan to be effective and therefore sound, more work is required to establish that, firstly, a sufficient number of these sites would meet the tests of deliverability in footnote 11 of the NPPF to enable the housing requirement to be met for the period 2019/20 – 2023/24. Secondly, that the remainder meet the developable test in footnote 12 and that there is a reasonable prospect they can deliver new homes by 2029. This should include a thorough assessment of the additional policy burdens introduced in the plan which are not fully considered in Section 5.8 of the Viability Study.

Targets for Growth

We fully support the Mayor's ambition for significant housing growth set out in the draft Plan; however, we have some concerns over the methodology used to arrive at the objectively assessed need (OAN), in line with Government guidance. The Government has recently consulted on proposals for a new standard methodology (*Planning for the Right Homes in the Right Places*) setting out an update on how objectively assessed need should be assessed, which is set to be implemented once the revised NPPF is published. There is a need for a consistent approach across authorities, including the GLA in assessing housing need, particularly so, given that London's housing market is closely related to that of the wider southeast.

The National Planning Practice Guidance (NPPG) (ID: 2a-015) states that the MHCLG household projections should form the demographic starting point. In this policy context and particularly given London's relationship to the wider southeast it is not considered that this deviation from policy guidance is appropriate. The figure used in the 2017 SHMA arrives at a demographic starting point of 48,200 households per annum, substantially lower than the 54,000 using the 2014 SNPP projections. As a minimum the London Plan should use the SNPP figures as the starting point, but the implications of the standard methodology should also be considered as it is likely to be implemented before the draft Plan is submitted. If this is the case the standard methodology OAN should be used.

On this basis, London's objectively assessed housing need is likely to be substantially higher than the 66,000 figure in the 2017 SHMA. The NPPF objective is that Plans should meet the OAN in full and it is essential that the OAN which informs the housing requirement is robust.

Paragraph 1.4.3 (Delivering the homes Londoners need) is therefore unsound as it is inconsistent with national policy.

Policy H2 (Small Sites)

The scale of the increased housing delivery that is expected from small sites is considered to be unrealistic and inconsistent with paragraph 48 of the NPPF.

The SHLAA assumes delivery of 187,900 homes over the 2019-2029 period on unidentified sites or windfall allowance. In addition to this a separate windfall allowance of 57,380 is made. This is double counting and does not accord with the methodology required in NPPF, which states that

"Local planning authorities may make an allowance for windfall sites in the five-year supply if they have compelling evidence that such sites have consistently become available in the local area and will continue to provide a reliable source of supply. Any allowance should be realistic having regard to the Strategic Housing Land Availability Assessment, historic windfall delivery rates and expected future trends, and should not include residential gardens."



According to the eight year 'post-recession' trend, covering the 2008/9 – 2015/16 period windfall delivery averaged 9,371 dwellings per annum or 93,710 over a projected ten year period, using a proxy to discount development of residential gardens (SHLAA, para. 6.14). The windfall allowance in the draft Plan represents a 162% increase upon this figure. Even if a longer trend period is used (2004/5 - 2015/16), excluding office to residential permitted development, but not making any reduction for development of residential gardens is made the projected delivery over the ten year period is 104,592 dwellings. The windfall allowance in the draft Plan represents a 145% increase upon this figure.

Whichever base data is used, the SHLAA assumes that previous delivery will be in the order of 2.5 times what has previously been achieved and essentially that major step change in delivery will occur from April 2019 onwards. We do not consider that the SHLAA demonstrates compelling evidence for this.

The NPPF requires "compelling evidence" that windfall sites have consistently become available in the local area "and" will continue to be a reliable source of supply. Both of these tests need to be satisfied. The policy works hand in glove with paragraph 17 which requires a "plan-led" approach and paragraph 47 which makes clear the need to "identify" specific deliverable and developable sites. The approach to small sites is not consistent with national policy and fails the test of soundness in para. 182 of the NPPF, it is also not effective as it is unclear how it will be delivered.

Overall, we are concerned that there is not sufficient evidence to demonstrate that the Plan can deliver the new homes required. The significance of this is that every effort should be made to support an uplift in the housing delivery of larger sites and housing regeneration schemes and that policies should not introduce further burdens on such sites that could make such schemes unviable and undeliverable.

Policy H6 (Affordable Housing)

Viability Information

We support the Mayor's priority to deliver more homes including affordable homes and support the need for greater transparency in the viability process so that there is a clear understanding to speed up the planning application process. Whilst we support openness and transparency as a principle, given the complex and sensitive nature of viability appraisals, it is important that this is addressed at the right time and that the most sensitive information remains confidential. Many assessments include information which is commercially sensitive, for example, this could include allowance for acquisition of third party land, rights of light, vacant possession compensation costs or other information that would severely compromise an applicant's commercial position. In line with previous FOI decisions (which recognises that some information is commercially sensitive and there should not be blanket disclosure), it is considered that a more flexible approach should be adopted when there are elements of commercially sensitive information within the FVA and it is suggested that a non-technical executive summary of the viability assessment explaining the key factors and conclusions may be more appropriate than the evidence base.

Threshold Approach

The introduction of a threshold approach to affordable housing to create consistency and certainty across London is understood. Each development site will have unique characteristics and unique constraints as well as opportunities as such, the viability of sites will differ and appreciation of this in policy is particularly important given the increasing emphasis on intensification of existing uses, for which there is limited precedent.



Part B

We generally support the approach to provide affordable housing on site as opposed to off-site unless exceptional circumstances exist and the 'strategic target' is also generally supported in principle.

Notwithstanding this, regeneration often requires significant upfront investment before *any* return or public benefit is seen and generally brownfield land located on former industrial sites in less desirable locations pose a level of greater risk in relation to investment.

The NPPF makes it very clear that Plans should be *deliverable* and have regard to *viability*; in particular, paragraph 173 stipulates that the sites identified in the Plan should not be subject to such policy burdens that their ability to be developed viably is threatened. National policy further highlights that brownfield land is often more expensive to develop and stipulates that where the cost of land is a major barrier, Local Authorities should engage with landowners in considering options to secure the successful development of sites.

Further, the National Planning Practice Guidance (NPPG) (Paragraph 005 Reference ID: 10-005- 20140306) states that viability assessment "*should not compromise the quality of development but should ensure that the Local Plan vision and policies are realistic and provide high level assurance that plan policies are viable*". Paragraph 007 (Reference ID: 10-007-20140306) further states that "*plan makers should consider the range of costs on development*" which includes costs imposed through national and local standards and local policies and "*their cumulative cost should not cause development types or strategic sites to be unviable*".

On this basis, it is considered that the 50% threshold for the development of industrial land has been inadequately tested and it is considered that the strategic viability assessment is flawed in this regard. Paragraph 174 of the NPPF explains that local authorities should

"assess the likely cumulative impacts on development in their area of all existing and proposed local standards, supplementary planning documents and policies that support the development plan, when added to nationally required standards. In order to be appropriate, the cumulative impact of these standards and policies should not put implementation of the plan at serious risk, and should facilitate development throughout the economic cycle."

Industrial sites are complex and costly to develop, the additional affordable housing requirement together with the need to replace employment floorspace will place additional burden on sites, making development unviable. If policy requirements are rendering developments unviable then a 'soundness' question is raised. There needs to be a balanced approach to delivering policy requirements, the need for housing and viability.

The policy notes that the 35% threshold will be reviewed in 2021 and if appropriate increased through the Supplementary Planning Guidance. Legislation make it clear that any policy update should be undertaken through a policy review and should not be undertaken through guidance which avoids the need for Examination or robust evidence base. This review text should be deleted as it is unsound.

Part C

The threshold approach as currently drafted is not sound as it is ineffective. The inclusion of a number of other requirements within the policy takes away from its central focus of delivering more affordable housing. This means that fewer developments will be able to meet the tests and as such and accordingly fewer affordable homes are likely to be delivered.

The requirement to 'meet all of the other relevant policy requirements and obligations' is overly onerous and should be deleted. There are very few schemes approved in London that meet all requirements in full, as a



balance always has to be struck between meeting various objectives, especially on complex brownfield sites. We suggest the following changes (in bold and strikethrough):

2) be **broadly** consistent with the relevant tenure split (Policy H7 Affordable housing tenure), **or locally adopted alternative**;

~~3) meet other relevant policy requirements and obligations to the satisfaction of the borough and the Mayor where relevant~~

Part 3 is not necessary as to be granted planning permission a proposed development must be considered acceptable to the decision-taker having regard to the development plan and material considerations. This doesn't need reiterating within a policy dealing with a specific issue.

Parts D and E

Beyond the need to establish the maximum viable level of affordable housing in a way which does not prejudice the developer's commercial position the viability tested route set out in part E therefore must not add further uncertainty to the development process. If it does the increasingly complex sites the GLA is counting on to address its housing need, which have previously not come forward for development, will be even less likely to do so, preventing the delivery of the Plan.

In this regard the review mechanisms set out in Policy E (2) should be amended as they are not consistent with the NPPG and incompatible with paragraph 173 of the NPPF. The NPPG (ID: 10-015) states that

"Viability assessment in decision-taking should be based on current costs and values. Planning applications should be considered in today's circumstances."

However, where a scheme requires phased delivery over the medium and longer term, changes in the value of development and changes in costs of delivery may be considered. Forecasts, based on relevant market data, should be agreed between the applicant and local planning authority wherever possible."

The blanket requirement for viability testing, regardless of the size of the proposed development or whether it is set to be delivered in phases is not consistent with national policy. The NPPG makes it clear that viability testing should be done upfront unless there are clear reasons why delivery may be over the medium to long term. This adds further unnecessary uncertainty to what is inherently an uncertain process. The policy as currently worded will negatively affect the delivery of the plan. We propose the following changes are made to make the policy consistent with national policy, as it is required to be in paras. 151 and 182 of the NPPF:

2) **where appropriate** viability tested schemes will be subject to:

a) an Early Stage Viability Review if **development has not commenced** ~~an agreed level of progress on implementation is not made~~ within two years of the permission being granted (or a **longer** period agreed by the borough)

b) ~~a Late Stage Viability Review which is triggered when 75 per cent of the units in a scheme are sold or let~~ (or a period agreed by the borough)

c) Mid Term Reviews prior to implementation of **the later** phases for larger phased schemes

These changes would ensure that this element of the policy is sound. The whole policy is overly prescriptive given the strategic nature, and as it will apply to all schemes over ten dwellings LPA's should have the ability to consider its applicability in their areas and be given flexibility over its application.



By referring to a clearly definable milestone (commencement of development) part (a) satisfies the requirement of paragraph 154 of the NPPF for policies to provide a clear indication of how the decision-taker should react.

Part (b) should be removed as it is wholly inconsistent with the NPPG, as it takes no account of the size of a development or its intended build out period.

The changes to part (c) give greater clarity to the policy. It clearly would not be consistent with the NPPG to require viability reviews on phases commenced soon after permission is granted.

With regards to part D it is not clear why a further viability review would be required after two years. If a development qualifies for the fast-tracked approach and is therefore fully policy compliant it is unclear what the purpose of a viability review would be given there would be no scope for upward revision.

Parts G to J

A concern is raised with reference to the affordable housing policy being applied to S73 applications; there is no legal definition as to what constitutes a 'minor material' amendment and it is up to interpretation by each Borough. More complex longer-term schemes include adoption of a masterplan, usually secured by an Outline/Hybrid permission, which, given the long-term timescales involved, often result in some needed changes to a permission to continue housing and regeneration delivery. It can also be the case that amendments to developments are sought in order to amend the mix, for example to provide homes suited to the market at that stage and for developments to remain viable. In these circumstances reductions in affordable housing should also be considered. Any new affordable housing requirements or payments in lieu should only be applicable upon the uplift of homes.

Policy H7 (Tenure Split)

This policy is overly prescriptive. LPA's may wish to set locally specific targets on tenure mix and such a strict policy across the city is not appropriate. Given that the London Plan is a spatial strategy which Local Plans must be 'in general conformity' with such a precisely delineated split is not appropriate.

*A The Mayor is committed to delivering genuinely affordable housing. ~~The following split of affordable products should be applied to development:~~ **development should be in general accordance with the following standards, or in accordance with a locally defined alternative split:***

- 1) ~~a minimum of 30 per cent low cost rented homes, allocated according to need and for Londoners on low incomes (Social Rent/ London Affordable Rent)~~*
- 2) ~~a minimum of 30 per cent intermediate products which meet the definition of affordable housing, including London Living Rent and London Shared ownership~~*
- 3) 40 per cent to be determined by the relevant borough based on identified need, provided they are consistent with the definition of affordable housing.*

These minimums will be reviewed in 2021, and if necessary, updated ~~through Supplementary Planning Guidance.~~

~~B Only schemes delivering the threshold level of affordable housing with a tenure split that meets the requirements set out in part A can follow the Fast Track Route for viability.~~

Part B repeats the requirements of Policy H6 and in the interests of reducing what is a very lengthy and detailed plan should be removed. Furthermore, amending the tenure split would need to have regard to viability, such a change would represent a change of policy which should be subject to rigorous viability



testing and examination, not the reduced level of consultation required for an SPG which provides additional information to guide interpretation of a policy, not change it.

The policy as currently worded is too rigid, it does not allow sufficient flexibility to respond to change as required by para. 14 of the NPPF and as the London Plan is a spatial strategy, not a local plan, it should ensure that there is sufficient flexibility to adapt policies to local needs. This level of prescriptive detail is not justified and it should be amended as set out above to ensure it is sound.

Policy H10 (Redevelopment of Existing Housing and Estate Regeneration)

We agree that estate regeneration has significant potential to deliver environmental benefits, tackle inequalities and deliver new community facilities whilst achieving an uplift in housing. Estate renewal can also add to the viability of local businesses and vitality of local community hubs. We support, in principle, the requirement to obtain the maximum viable affordable housing delivery through estate regeneration and are committed to providing a range of affordable housing tenures and fully support the approach that all tenants are offered a new, safe well designed new home that meets their need. The potential benefits of estate regeneration are substantial and multifaceted with a number of major economic and social benefits and a variety of stakeholder needs to balance and deliver. This potentially significant qualitative enhancement of old estates is an important and significant benefit, which should be taken into consideration.

Each estate is unique and has particular site constraints, many were developed at a very different time where (for example) making the most efficient use of land, tackling inequality or environmental sustainability was not a priority. With this in mind, and having consideration to the Mayor's Good Growth agenda and associated draft policies, we consider that habitable rooms is a more relevant comparison than floorspace as currently set out in the draft policy.

It is important that local decision-takers can fully assess proposals in the round and consider overall viability of bringing such schemes forward. The requirement for affordable housing to be provided on an equivalent floorspace basis could prevent regeneration coming forward in some cases, even if it was locally supported. The approach to estate regeneration should therefore be deferred to the LPAs in line with their own Borough wide housing strategies and within the reasonable parameters on maximising affordable housing and increasing housing delivery within their Borough. In this way they can consider the appropriate tenure split having regard to their own particular local circumstances.

In this regard, we are concerned that, as currently worded, Part C could have the unintended consequence of delivering homes at the low and high ends of the price range, but not in the middle where there is substantial housing need.

Our suggested change is:

*"For estate regeneration schemes the existing affordable housing (**habitable room provision**) ~~floor space~~ should be replaced on an equivalent basis i.e. where social rented **dwelling** ~~floor space~~ **is** ~~are~~ lost, ~~it~~ **they** should be replaced by general needs rented accommodation with rents at levels based on that which has been lost, and the delivery of additional affordable housing should be maximised. **Where this cannot be viably achieved or where the local Housing Strategy indicates that a different approach is appropriate under the local circumstances, alternative arrangements can be agreed with the LPA, following consultation.** All schemes should follow the Viability Tested Route (see Policy H6 Threshold approach to applications)."*

These changes ensure that the Plan is not overly prescriptive and allows for local interpretations of the policy within the strategic framework. This will allow LPA's some latitude to respond to local circumstances while being in general conformity with the London Plan as required by the GLA Act 1999.



We support the aims of estate regeneration set out in Policy 4.10.2. We would suggest that “*where possible constructing net additional high quality new homes to help meet London’s housing needs*” should be added to this list as is compatible with and could assist in realising the three current aims.

Policy H12 (Housing Size Mix)

We fully support the Mayor’s proposed policy in relation to housing mix. The location of a site, particularly within central and urban locations and specific site constraints means that in some cases one and two-bedroom home are more suitable. Whilst we support family homes in the right locations, having such a flexible policy will allow the most suitable homes to be delivered where there is need. This approach too can free up family housing from elsewhere in the Borough and can help to optimise the potential of number of homes.

Policy H13 (Build to Rent)

We welcome the inclusion of a policy on Build to Rent within the draft Plan. We also welcome the Mayor’s proposed use of a Build to Rent ‘pathway’ through the planning system, with ‘principles’ defined that are intended to provide greater clarity and consistency in approach. However, our strong view is that both fewer restrictions and more clarity are required to enable Build to Rent opportunities to be fully realised in London.

We have concerns over some elements of the definition.

The proposed requirement for a covenant of ‘at least 15 years’ is too narrowly defined. In the first instance, the time period becomes a threshold by the use of the terms ‘at least’; it creates more uncertainty and the scope for greater inconsistency across London and could make investment decisions in this sector - and in particular schemes - potentially difficult. Fifteen years could be set as a benchmark covenant period but with scope for flexibility, subject to particular circumstances regarding viability etc. We would suggest the definition instead reads as follows:

“...Given that the market is now maturing, the Mayor expects to see all schemes having a covenant of 15 years but with scope for flexibility depending on particular circumstances regarding viability etc.”

We do, however, recognise that the ‘modus operandi’ of Build to Rent developments can include the offer of longer tenancies than those that are standard in the wider private rented sector – particularly in the Buy to Let rental market. However, the potential for offering longer term tenancies stands outside the legitimate extent of planning control. We would instead suggest that the ambition for longer tenancies is included in the supporting text.

We also object to the requirement for London Living Rents in part C. Analysis supporting our representations to the Affordable Housing and Viability SPG in February 2017 indicates that the London Living Rent would fluctuate significantly across wards and could have unintended consequences for the provision of affordable rented housing. Examples of possible ‘fluctuations’ that could arise from London Living Rent relate to development locations (especially, outer vs inner London wards), affordability levels and potential delivery rates.

If a comparison of affordable rent and London Living Rent is made, what emerges is that London Living Rent varies more across London’s wards, as the cap is set at the same level (i.e. 80% market rent) but London Living Rent changes according to the median household income at ward level. This could, therefore, lead to the delivery of heavily discounted units in some parts of London (especially Inner London), where house prices are higher and median household incomes are lower; accordingly, it is fair to assume that where London Living Rent will be set at lower rates (e.g. East Ham North in Newham) the number of units delivered will be lower while, on the other hand, where London Living Rent will be capped at 80% market rent (e.g.



Upminster in Havering) developers will be able to deliver the same number of units as for affordable market rent.

Therefore, our previous analysis suggests that this intervention could lead to an uneven distribution of both Build to Rent schemes and London Living Rent products across London. Accordingly, London Living Rent may not always be appropriate, having regard e.g. to location, development viability, eligibility and affordability, and if these potential consequences are not fully assessed before the SPG is finalised, the guidance could lead to the imbalanced delivery of Build to Rent across London. Part C should be removed as it could disincentivise build to rent development in central and highly accessible areas where it may well be particularly suitable. It is ineffective.

Policy E1 (Offices)

Lendlease generally supports the Mayor's ambition to increase London's competitiveness and deliver new office space in appropriate locations, however, this should be based on evidence of local need; additional office uses should not be bought forward prematurely or at the expense of other suitable OA locations within the CAZ. In addition, it is suggested that Part E is deleted as the making of Article 4 directions is a matter for LPAs.

Policy E2 (Low Cost Business Space)

We support the ambition of ensuring sufficient business space is available for a range of occupiers. However, the current wording of this policy is very onerous, could lead to unintended consequences and appears to seek to redefine the Use Classes Order with the introduction of references to secondary and tertiary space. Furthermore, the purpose of planning policy is to control the use of land it does not extend to the micro-management of leasing to commercial tenants. There is separate legislation which relates to tenant and landlord rights.

The onerous nature of this policy could restrict the availability of cheaper short-term leases in buildings being considered for redevelopment. It could also restrict new development, even where it provides a net uplift in business floorspace. The result would thereby be the potential protection of a few tenants in specific situations while the overall availability of business space for occupiers decreases. These unintended consequences would be particularly unfortunate given the overriding aim of the plan is to deliver intensification of uses to meet ambitious growth targets.

Furthermore, by going beyond and perhaps seeking to amend the planning's legislative framework it exceeds the scope of the planning system. As such, it is unclear how the decision taker should act to enforce a policy which goes beyond land use issues. We suggest it is changed as follows, so it is focused on the retention of business space in a way which is compatible with the Use Classes Order and paragraph 22 of the NPPF:

A The provision, and **continued availability of** ~~where appropriate, protection of a range of low-cost~~ B1 business space should be supported to meet the needs of micro, small and medium-sized enterprises and to support firms wishing to start-up or expand.

B Development proposals that involve the **net** loss of existing B1 space (~~including creative and artist studio space~~) in areas where there is an identified shortage of lower-cost space should:

- 1) demonstrate that there is no reasonable prospect of the site being used for business purposes, or
- 2) ensure that an equivalent amount of B1 space is re-provided in the proposal (~~which is appropriate in terms of type, specification, use and size~~), incorporating existing businesses where possible, or



3) demonstrate that suitable alternative accommodation (~~in terms of type, specification, use and size~~) is available in reasonable proximity to the development proposal ~~and, where existing businesses are affected, that they are subject to relocation support arrangement before the commencement of new development.~~

C Development proposals for new B1 business floorspace greater than ~~2,5-3,000 sqm (gross external area)~~ should consider **providing a proportion of flexible business space** ~~the scope to provide a proportion of flexible workspace suitable for micro, small and medium sized enterprises.~~

These changes would ensure the policy is sound and enforceable. The supporting text should also be amended accordingly.

In addition, clarity is sought in relation to meanwhile uses, if creative and low cost business spaces are provided as meanwhile uses, forming part of a longer term regeneration storey, is the intention that these will need to be re-provided with no not loss of floorspace. This is also the case for policy E3 where clarity on the issue of affordable workspace is sought.

Policy E3 (Affordable Workspace)

We support the ambition behind this policy and believe that it is important to ensure that start-up businesses and SME's can continue to find businesses space to operate from. However, we do not consider that a blanket approach to affordable workspace requirements is the appropriate strategy to achieve this. We consider that more targeted interventions, such as proposals elsewhere in the Plan for Creative Enterprise Zones, would be a more effective way of addressing this objective.

There is no established method of determining those in need of subsidised workspace and it is not clear how the policy would allocate such space. The allocation would have impacts on market competition by lowering overheads for firms successful in obtaining subsidised space giving a competitive advantage for firms which were not successful.

By adding to the overall burden of obligations the policy could also reduce development which in turn could impact upon the availability and costs of office space. For development which remained viable with this policy it would also reduce the viable level of other contributions, such as CIL or affordable housing within a large mixed-use development. The requirement in part F to ensure that workspace floorspace is completed and available before residential elements can be occupied unnecessarily negatively impacts upon development viability to the detriment of delivering new homes.

We support the ambition to ensure that business space continues to be available for all occupiers and believe the draft Plan has an important role to play in this. This policy as currently worded needs re-thinking as it is likely to fail to be effective in its ambitions.

Policy HC3 (Strategic and Local Views) and HC4 (London View Management Framework)

We support the overarching aims of both of these policies and agree that development should be sensitive to historic landmarks and vistas within the capital. However, such policies must be compatible with the wider spatial strategy set out in the plan and must provide clear guidance for both developers and decision-takers. They should not prevent well designed new development coming forward at the densities which will be required to meet the development targets within the plan.

In this regard, we are concerned by changes to these two policies which make them more onerous than the current plan, notably the following (our emphasis):

HC3(C): *"These and other views are also subject to wider assessment beyond the Protected Vista."*



HC4 (F3) *“development in the background should not harm the composition of the Protected Vistas, nor the viewer’s ability to recognise and appreciate the Strategically-Important Landmark, whether the development proposal falls inside the Wider Setting Consultation area or not”*

These additions fail to provide a decision taker with a clear indication of how to apply these policies, this is contrary to the requirement set out in of para. 154 of the NPPF. The protected vistas, as defined in adopted policy, include both a Landmark Viewing Corridor in the foreground and a Wider Setting Consultation Area in the background. They therefore already include a specific background area to which the policy applies. The reason for extending this to a larger undefined area is not explained or justified. It is unclear how this policy would apply, creating uncertainty for both LPAs and developers. Furthermore, by providing additional undefined hurdles for development, the policies are not conducive to facilitating the increased delivery of much needed new homes and workspaces.

HC3(C) and HC4 (F3) should be removed as they are inconsistent with national policy, not justified and likely to be ineffective in facilitating the delivery of the planned growth targets. To ensure it is compatible with the delivery of the draft Plan we also consider that it necessary to review the LVMF SPG to ensure any changes which may be necessary to ensure its compatibility with the Mayor’s clear plan for increased density are made and that it does not affect the delivery of the Plan.

Policy G2 (London’s Green Belt)

We fully support the Mayors’ desire to maximise the delivery of housing on previously developed land and through intensification and we intend to continue to play a significant role in realising this.

Policy G2 (Part B) is inconsistent with national policy and prevents LPAs, when preparing Local Plans, from undertaking a full review of Green Belt boundaries, as they can do in accord with paragraph 83 of the NPPF. Furthermore, precluding its release is not an effective or justified strategy considering that the draft Plan is not meeting its housing need, even on its own terms, and as we have set out above, we have concerns regarding both the housing need and supply figures.

The draft Plan will rely heavily upon the outer boroughs to deliver a major increase in housing delivery through the adoption of new local plans, to further ask them to do while limiting the ambit of planning policy interventions available to them is not a justified strategy. This would prevent LPA’s from pursuing broader planning policy aspirations, such as releasing a Green Belt site close to a station, where high levels of affordable housing could be delivered compared with a much more constrained brownfield site with marginal viability and ownership issues. Policy G2 B does not represent a justified or effective strategy in the context of London’s acute housing need, it is not consistent with national planning policy and unreasonably restricts the choices available to an LPA. It is unsound.

Similarly, Policy G2 A is not in accordance with the NPPF, which does not impose blanket ban on development in the Green Belt. The NPPF sets out instances of development which is not inappropriate in the Green Belt (paragraphs 89 and 90) and explains that inappropriate development, which is by definition harmful, should only be allowed in ‘very special circumstances’. The adopted London Plan (Policy 7.16B and para. 7.55) in effect defers to the NPPF, which includes detailed development control policies for the Green Belt in paragraphs 87-92. This approach should be maintained to ensure that the policy is consistent with national policy and therefore sound.

Policy G3 (Metropolitan Open Land)

Part A of this policy which states that *“development proposals that would harm MOL should be refused”*. It represents a change compared with the current London Plan which states that inappropriate development, which is by definition harmful, should only be allowed in ‘very special circumstances’ in accordance with



paragraph 88 of the NPPF. The blanket ban imposed by Part A is therefore inconsistent with the NPPF and the text supporting the policy, which states that *“the principles of national Green Belt policy also apply to MOL”* (para. 8.3.2).

Given the ambition of draft Plan to significantly boost the supply of housing, more than doubling current delivery rates, we are concerned that further restrictions on MOL development would potentially impact on the delivery of the new homes required. There are many small parts of MOL within London that currently do not form the proper functions of MOL and could be redeveloped to deliver homes. We would therefore suggest that part A is replaced with Part B of the current London Plan Policy (7.17), which states:

“The strongest protection should be given to London’s Metropolitan Open Land and inappropriate development refused, except in very special circumstances, giving the same level of protection as in the Green Belt. Essential ancillary facilities for appropriate uses will only be acceptable where they maintain the openness of MOL.”

Policy G5 (Urban Greening)

We recognise the important benefits associated with green infrastructure in our schemes and high quality public realm and the provision of high quality usable amenity space are key components for us in terms of creating the best places. However, the application of an urban greening ratio will not deliver by default, well designed landscaping or public realm which would have optimum benefits for the communities they serve nor will it ensure delivery of the highest environmental sustainability provision. The application of ‘Urban Greening’ will generate another technical ‘tick box’ to overcome.

The creation of great public spaces and well designed private amenity spaces is heavily dependent upon their design and local circumstances and there is a risk that by setting out further standards to be met would prevent otherwise appropriate and innovative solutions coming forward. It is essential that the planning system looks beyond the plans that are submitted and shows appreciation of how a development may be lived and is sensitive to the costs that additional policy burdens ultimately place on occupiers.

We are also concerned that failure to achieve the requirement will be used by the boroughs to refuse otherwise acceptable high density development.

The viability appraisal has not properly tested the costs of delivering urban greening. Appendix H of the Viability Assessment Technical Report states that the costs of urban greening measures have been included in the external works costs. However, these are based on existing developments and so it is unlikely that the costings will reflect these new draft policy requirements. To achieve an Urban Greening Factor (UGF) of 0.3 in central London, substantial changes to buildings are likely to be required, such as, creating an extra floor for services equipment to enable the roof to be fully greened. This amounts to a substantial expense which will clearly impact upon a development’s ability to meet other obligations within the plan. It is also unlikely to be achievable for developments involving listed buildings or within Conservation Areas.

The evidence base of the plan has not adequately demonstrated that the policy as currently worded is viable or considered the impact of increased service fees on the affordability of housing or workspace. The policy is therefore not consistent with national policy (NPPF, paragraph 173) and risks being ineffective, we consider it should be amended as follows:



*“Boroughs should develop an Urban Greening Factor (UGF) policies, tailored to local circumstances, to identify the appropriate amount of urban greening required in new developments. The UGF should be based on the factors set out in Table 8.2, but tailored to local circumstances. In the interim, the Mayor recommends suggests a target score of 0.4 for developments that are predominately residential, and a target score of 0.3 for predominately commercial development, **subject to consideration of viability, design, heritage and other planning policy objectives.**”*

Policy SI1 (Improving Air Quality)

We support the overarching principle of this policy which seeks to improve London’s air quality, however, further clarification is needed on how ‘air quality positive’ would be demonstrated/quantified.

Policy SI2 (Minimising Greenhouse Gas Emissions)

Lendlease remains committed to optimising our sustainability contribution and performance through environmentally responsible outcomes. As part of our Sustainability Framework (as introduced in 2014) we seek to create places with lighter environmental footprints by (for example) using more renewable energy and materials with lower energy impacts.

On this basis we support the principle of CO2 reduction targets, however, we have some concerns regarding the deliverability of this policy in terms of non- domestic uses. The evidence base has only tested a limited scope of non-domestic uses to establish the draft policy target.

The proposed inclusion of carbon dioxide emissions linked to construction activities in the zero-carbon target (including both embodied CO2 in building materials and on-site construction activities) is onerous and there are no benchmarks for construction emissions, and they will vary considerably between the size of sites and nature of construction and clarification is requested.

Conclusion

We are pleased to have the opportunity to comment on the draft Plan and welcome the work done to date by the GLA to ensure that the London Plan continues to remain up to date.

The plan is rightly ambitious and overall, we support the growth targets and overall spatial strategy set out to achieve them. In the case of some policies discussed above, we consider that amendments are required to ensure they are aligned with and contribute to the overall growth objectives of the Plan. For this reason, we do not consider some parts of the draft Plan to be sound in its current form, but believe it can be made so with the changes outlined above.