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Dear Mr Khan,

## **Draft London Plan representations by Solum**

### Introduction

These representations have been prepared and submitted by Savills on behalf Solum in response to the Mayor's Draft London Plan (The Spatial Development Strategy for Greater London) (December 2017).

Established in July 2008, Solum is a partnership between Network Rail and Kier formed to attract private investment into the rail network and build much needed new homes close to transport hubs. The partnership controls significant sites in exceptionally well located central areas, and it has the potential to play a major part in the delivery of London's growth aspirations, including housing and employment as well as supporting strategic infrastructure. If realised, this can be a significant contribution to the good growth agenda in London.

Solum is currently carrying out a major redevelopment scheme at Twickenham station, and it has already delivered housing at Walthamstow town centre with a second phase now underway. It is anticipated that a major redevelopment scheme at Surbiton station will be the subject of a planning application later this year with other sites currently being identified.

These representations are made with specific regard to the redevelopment of these assets to support the Mayor's vision for London. We have only identified those parts of the Draft London Plan where we have major concerns and where we can suggest positive changes.

The representations are based on the following points:

1. Solum supports the ambition to deliver significantly more homes in London than have been delivered in the recent past and the business can make an important contribution towards this goal, at the most sustainable locations
2. There is a potentially significant shortfall in housing supply identified by the Draft London Plan;
3. Solum will seek to maximise delivery of genuinely affordable homes on their schemes. However, the Draft London Plan should recognise that existing rail related sites are a particular asset class with unique challenges to be taken into consideration.

The Draft London Plan refers to an overall need for 66,000 homes per year for at least 20 years. This figure is informed by the 2017 SHMA carried by the GLA<sup>1</sup>. The methods used to estimate London's housing

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<sup>1</sup> The 2017 London Strategic Housing Market Assessment



requirements in the 2017 SHMA closely follow those used in the 2013 SHMA. The 2013 SHMA was carried out before government had provided its guidance through the NPPG in 2014 and before the recent consultation on a standardised methodology for assessing need<sup>2</sup>.

The Draft London Plan London-wide housing target is a significant increase over the current target of 42,000. Historically, delivery has consistently fallen behind the targets. Completions reached a high point in 2015/16 when circa 39,000 homes were completed<sup>3</sup>. Whilst in the previous year completions were closer to 32,000<sup>4</sup>. This position is hugely ambitious and in order to achieve such a significant increase in the rate of housing delivery it is essential that the Draft London Plan encourages rather than constrains development.

To reach this figure the 2017 SHLAA relies heavily on the capacity of small sites, which it defines as sites of less than 0.25 hectares in size and which are essentially windfall sites. As a result the Draft London Plan sets targets for development of small sites (between 1 and 25 homes) to circa 25,000 new homes a year, which equate to 38% of the overall housing targets.

The NPPF (para 48) allows for windfall sites to be taken into account where there is compelling evidence that such sites have consistently become available and will continue to provide a reliable source of supply. Based solely on historic trends the evidence in the 2017 SHLAA's would indicate a supply closer to 10,000 new homes a year from small sites. We therefore question whether this target is achievable.

With a potentially significant shortfall in housing supply, the Draft London Plan must identify every source of housing and ensure that these can be delivered. Solum is able to contribute to Good Growth through optimising its assets with mixed-use redevelopment including the provision of housing. These sites are located adjacent to main line rail stations in London and they represent a unique opportunity to maximise housing delivery at the most sustainable locations in London.

Solum supports the text set out in policy GG 2 (Making the Best Use of Land) which seeks to prioritise the redevelopment of land which is well connected to rail stations and which seeks to intensify the use of land that are well connected by public transport. However we suggest that the policy is amended to make it clearer that land around rail stations will be specifically supported for high density development through the following changes to part B of GG2

*Policy GG2 Making the best use of land*

*To create high-density, mixed-use places that make the best use of land, those involved in planning and development must:*

- B Proactively explore the potential to intensify the use of land, including public land, to support additional homes and workspaces, promoting higher density development, particularly on sites **on and around rail stations and** that are well-connected by public transport, walking and cycling, applying a design-led approach.*

Viability

Solum makes the following comments with regard to viability:

1. Solum supports the delivery of affordable housing and the expectation that all development proposals should maximise the delivery of affordable housing;

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<sup>2</sup> Planning for the right homes in the right places: consultation proposals

<sup>3</sup> London Plan Annual Monitoring Report 13

<sup>4</sup> London Plan Annual Monitoring Report 12

2. The development of operational rail land, including car parks, is complex, time consuming and costly and in most cases it is expected that it will not be possible to deliver 50% affordable housing. Therefore, in the majority of scenarios, planning applications will be required to follow the viability tested route;
3. In order to create certainty and speed up viability negotiations, the Draft London Plan should recognise that existing rail-related assets are a particular asset class with unique costs and challenges to be taken into consideration. The current Draft London Plan will constrain the development of Solum's land assets and prevent the delivery of homes unless the particular difficulties associated with the development of these sites can be recognised.

Solum supports the delivery of affordable housing and the expectation that all development proposals should maximise the delivery of affordable housing. However, they have some fundamental concerns regarding the Mayor's threshold approach to viability, initially detailed in the Mayors Affordable Housing and Viability SPG, which applies a 'one size fits all' to development of public land in London. In particular this approach does not take into account the distinct challenges related to the development of rail related sites.

The London Plan Viability Study and associated Technical Report (LPVS) does not address the operational context of existing rail related sites and how this should be taken into consideration when granting planning permission. The threshold approach as set out in Policy H6 *Threshold approach to applications*, allows applications to be fast tracked where they meet the threshold of 35% affordable housing on private sector land and 50% on public sector land. Public sector land is defined at para 4.6.5 as:

*"land that is owned or in use by a public sector organisation, or company or organisation in public ownership, or land that has been released from public ownership and on which housing development is proposed."*

This approach does not recognise that the redevelopment of existing rail assets, which are within the control of Solum, face a unique set of challenges which mean that the provision of 50% affordable housing is unlikely to be viable. These are set out below:

- **High existing use values.** Solum is likely to be bringing forward the redevelopment of existing station car park sites which are commonly leased to Train Operating Companies (TOCs) and managed by car parking operators (ie NCP) who may own an occupational lease. The income from commuter and other car parking operations generates an existing use value which acts as a barrier to bringing sites forward.
- **Costs.** In almost every case it will be necessary to maintain temporary car parking at stations whilst redevelopment takes place, which is a significant additional cost. Furthermore, there are likely to be significant costs associated with decontamination of historic rail land (many car parks were once rail sidings) and the removal or relocation of existing infrastructure (ie old trackbed, electrical or signaling equipment and similar) to make way for development.
- **Re-provision of customer car parking.** It will be necessary to re-provide station car parking on the site as part of a development project. In many cases this will be in the form of a new multi storey car park or a car park within a podium. Much of a development site will be 'lost' to make way for car park re-provision, meaning that the net developable area will often be much less than might first appear. The construction of multi storey car parks will also add an additional cost to the development.
- **Re-provision of station facilities.** It will be necessary to re-provide station facilities as part of a development project. This may take the form of new station buildings or public realm improvements, increasing the capacity of these facilities to fit the future needs of the rail users and promote sustainable forms of transport. The construction of these station facilities will add additional cost to the development.

As a consequence, the majority of applications by Solum will be required to follow the Viability Tested Route. In order to assist with these viability negotiations and provide more clarity and certainty, we suggest that the Draft London Plan should be modified to recognise that special circumstances surrounding the redevelopment of rail-related sites need to be taken into account.

We suggest that paragraph 4.6.5 should be amended to read:

*The Mayor recognises that public sector land can play a significant role in meeting affordable housing need. The threshold for public sector land (land that is owned or in use by a public sector organisation, or company or organisation in public ownership, or land that has been released from public ownership and on which housing development is proposed) is set at 50 per cent to be considered under the Fast Track Route. This is because these sites represent an opportunity to meet a range of objectives, including making better use of sites, improving services and delivering more affordable housing. Moreover, as public assets, these landholdings should be used to deliver development and outcomes that are most needed by – and matter most to – the public. Public sector land also represents an opportunity to deliver homes that can meet the needs of London’s essential workers who maintain the function and resilience of the city, such as those working in health, fire, police, transport and support services. Where there is an agreement with the Mayor to deliver at least 50 per cent across the portfolio of sites, then the 35 per cent threshold should apply to individual sites. **It is recognised that many sites which have historically been in use for transport infrastructure and related uses, or are currently in use, will have particular challenges associated with bringing them forward for redevelopment and these issues will be acknowledged as part of the viability testing process.***

We trust these comments are helpful and we look forward to the opportunity to expand upon them when appropriate.

Yours sincerely

Nick Green  
Director