

# Mayor's consultation with the London Assembly on proposed London Plan alterations – the use of planning obligations in the funding of Crossrail

## 1 Background

- 1.1 Under a Crossrail funding agreement announced on 5 October 2007 between the Government, Mayor, Transport for London and the City Corporation:
- Government will contribute around a third of the construction cost (£5.6 billion) through a grant from the Department for Transport,
  - Revenue from Crossrail fares will contribute around another third of the cost,
  - London will contribute another third through a variety of mechanisms:
    - Direct contributions from some of the project's key beneficiaries such as Canary Wharf Group, the City of London and British Airports Authority.
    - The levying of a business rate supplement of two pence per pound of rateable value across London from April 2010.
    - A requirement for Section 106 obligations to contribute some £200 million (1.25 per cent of the total) towards the funding of Crossrail.<sup>1</sup>
- 1.2 On 4 December 2008, the Mayor wrote to the Chair of the London Assembly and to the GLA Group Functional Bodies to consult them on his proposed alteration to the London Plan and accompanying draft Supplementary Planning Guidance (SPG).
- 1.3 The Alteration shows which London Plan policies are proposed to be altered (by amending existing policies and putting forward new policies) to make an explicit requirement to raise some £200 million from Section 106 obligations to contribute towards the funding of Crossrail.
- 1.4 In summary these proposals consist of:
- Adding a new Policy 3C.12A setting a policy framework consistent with the relevant Government guidance for the use of planning obligations to raise contributions towards the funding of Crossrail, with supplementary guidance to be provided on detailed matters, including standard charges and formulae to calculate the contribution that might fairly and reasonably be sought for particular kinds of development.
  - Clarifying existing policies on priorities in planning obligations, making clear in particular the priority that should be given to the funding of Crossrail (Policies 6A.4 and 6A.5).

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<sup>1</sup> The funding heads of terms indicate that £300 million will be raised in contributions from development. Part of this sum will be raised in respect of development expected to come forward for planning permission before the start of the construction. It is expected that this will leave some £200 million to be raised by use of planning obligations.

- Preparing for the Government's introduction of the Community Infrastructure Levy (New Policy 6A.5A).

## **2 Introduction**

- 2.1 On 12 January 2009 the Assembly's Planning and Housing Committee discussed the proposed alterations with the Deputy Mayor for Policy and Planning, officers from the London Plan Team and Transport for London and representatives from the London boroughs of Southwark and Tower Hamlets.<sup>2</sup>
- 2.2 The main areas for discussion covered the methodology used to assess the extent to which types of developments, sizes and locations either contribute to, or exacerbate crowding on the rail network. Discussion also covered how this analysis led to the decision that contributions should be sought in respect of new office development in the Central Activities Zone (CAZ) and the northern part of the Isle of Dogs at a rate of £213.30 per square metre of net additional office floorspace.
- 2.3 The Assembly understands and supports the overall funding package for Crossrail and specifically the principle that developers should be expected to contribute to the cost of additional infrastructure which is necessary to sustainably support their developments.
- 2.4 The Assembly wishes to see that the proposals are successful in delivering the required contribution to the funding of Crossrail at the same time as being viable, equitable and reasonable. In this respect the Assembly has a number of comments on the proposals which can be summarised as:
- The Assembly is content to accept the Mayor's proposals to limit contributions to net new commercial floorspace over the threshold of 500 square metres on the basis that this type of development will have the most significant impact on the rail network in the morning peak and that other uses will still contribute to the funding of Crossrail through the supplementary business rate.
  - The Assembly has concerns that the level of the charge may affect the viability of some schemes in the current economic climate and the calculation of potential "leakage" may have been underestimated.
  - The level of the charge is a consequence of the decision to restrict contributions to developments in the CAZ and the northern part of the Isle of Dogs. This limits the number of developments subject to the charge making it higher than it need be with potential impacts on the viability of some development within the CAZ and the northern part of the Isle of Dogs.
  - In the pursuit of ensuring simplicity of operation and administration, and providing certainty to developers, the proposals should pay due consideration to the tests of being fairly and reasonably related in scale and directly related to the development.

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<sup>2</sup> <http://www.london.gov.uk/assembly/planning/2009/jan12/item04.rtf>

- Assessments should be made as to whether some of the marginal areas contained within the CAZ either contribute to congestion or benefit from its relief compared with some of the major centres outside the CAZ.
  - The Assembly would recommend the Mayor consider levying the charge to other areas that will directly benefit from Crossrail possibly with adjusted tariffs to reflect land values and other considerations. This should have due regard to the value for money of such contributions, the effect on the local area and the viability of local developments.
  - The Mayor should ensure that sufficient attention is paid to the specific impact of the proposals at a local level. Certain boroughs at the margin of the CAZ derive a significant proportion of their Section 106 receipts from the areas of within the CAZ. Consequently requiring contributions for Crossrail for developments within the CAZ may have a significant impact on individual boroughs in relation to the amount of Section 106 they ultimately receive to spend on local improvements. It may be that the local impacts are sufficiently significant to affect the decision to confine the proposals to the CAZ.
  - The Assembly would not wish to see any reduction in the priority given to tackling climate change as an objective for planning obligations across the whole of London. The Assembly recommends that the Mayor should not amend the existing policy 6A.4 unless the current priorities for tackling climate change in Section 106 contributions can be preserved. The Mayor should consider that Crossrail only be a priority for planning obligations where there is a direct link to any particular development such that the additional transport needs of that development will be met in part by Crossrail.
- 2.5 The Assembly notes the requirement of the Mayor to undertake a range of consultations should he wish to alter his strategies. Additionally, when revising the London Plan, his proposals must also be considered at an Examination in Public after which a Panel report is produced and the Government Office for London must be consulted on the final proposals before they have status as a revised and adopted London Plan.
- 2.6 The Assembly is therefore concerned that the Mayor appears to be using these proposals – which currently have no legal status – in influencing current planning decisions. The Assembly would caution the Mayor against applying his proposed policies before proper consultation takes place.
- 2.7 The following sections detail the factors that have helped the Assembly reach this view.

### **3 What type of development?**

- 3.1 The Assembly notes the methodology used to assess what type of development should be subject to the charge and the decision to focus on the impact of different kinds of land uses on the transport system.
- 3.2 The Assembly accepts that it is rational to assess the extent to which developments of particular types, sizes and locations either contribute to, or

exacerbate crowding and this should be used to determine the type of development that should attract the charge.

- 3.3 The decision has been made that, as congestion on the rail network in London is predominantly a morning peak period issue, an analysis should be made of the type of development that contributes most to crowding at this time.
- 3.4 Table 1 of the draft SPG sets out the calculated impact on the rail network of different types of land uses and in different areas.
- 3.5 The analysis concludes that:
- Commercial (office) development has the most impact, with residential having the least. Commercial and retail use impacts are higher in central London than outer areas.
  - Central London commercial development has an impact just under a quarter higher than the next highest form of development, retail.
  - Development in central London has a significantly higher impact than that in outer London.
  - Commercial development impact in outer London is about a fifth of that in the centre.
- 3.6 The Assembly notes that retail development, while less than commercial development, is a land use that has significant impact on the system and could reasonably be expected to attract a charge. However, given the decision to focus on the morning peak and that retail use tends to generate impacts outside this time,<sup>3</sup> the restriction to commercial uses appears logical given the assumptions used.
- 3.7 An additional factor noted by the Assembly is the considerable contribution towards the cost of funding Crossrail by the proposed business rate supplement which will be paid by retail, hotel and other commercial land uses even if they are not subject to the Section 106 requirements.<sup>4</sup>
- 3.8 The Assembly is content with the decision to restrict the requirement to contribute Section 106 payments to new commercial land use.

## **4 Net/gross new office floorspace**

- 4.1 The decision has been made that only commercial developments that would result in additional office floorspace of 500 square metres or more would attract the charge.
- 4.2 The Assembly notes that this decision has been made on the calculation that developments below this size are unlikely to have crowding impacts sufficient to meet the tests of proportionality and reasonableness in Circular 5/05.<sup>5</sup>

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<sup>3</sup> Draft SPG Use of planning obligations in the funding of Crossrail, paragraph 4.6

<sup>4</sup> Planning and Housing Committee 12 January 2009

[http://www.london.gov.uk/assembly/planning/2009/jan12/minutes/appendix\\_b.rtf](http://www.london.gov.uk/assembly/planning/2009/jan12/minutes/appendix_b.rtf)

<sup>5</sup> Draft SPG Use of planning obligations in the funding of Crossrail, paragraph 4.9

- 4.3 The Assembly also notes the statement that the benefits of seeking contributions from smaller developments are likely to be outweighed by the costs of entering into obligations and collecting contributions and the large number of smaller developments would make application of a policy of this kind uneconomic to administer.<sup>6</sup>
- 4.4 **Given these arguments the Assembly is content with the decision to apply the charge only to developments that give rise to net increases in office floorspace of 500 square metres or more.**

## 5 Where should it apply?

- 5.1 The Assembly agrees with the Mayor's view that the application of standard charges in a clearly defined area for the collection of developer contributions towards Crossrail will promote transparency and accountability and provide greater certainty about the level of contributions to be sought from individual developments.<sup>7</sup>
- 5.2 The decision on where the proposed charge should apply is perhaps the area that will generate the most debate. The Mayor is proposing that the charge be levied to developments that give rise to net increases in office floorspace of 500 square metres or more in the Central Activities Zone and the northern part of the Isle of Dogs.<sup>8</sup>
- 5.3 This decision has been taken on the basis that development in this area gives rise to the most substantial impact or harm on the rail network that Crossrail will mitigate.
- 5.4 The Assembly notes that in relation to the geography of the charge scenarios involving both the CAZ and areas in outer London within 800 metres<sup>9</sup> of proposed Crossrail stations were considered and thought to be a reasonable but were not considered the best fit. The Mayor has chosen not to apply the charge outside the CAZ and northern Isle of Dogs because:
- The impact of development in outer London is comparatively low and it is unlikely to be cost-effective to seek to apply a standard charge.
  - Applying a charge on development around stations in Outer London may have the perverse effect of displacing development to areas away from the rail network and reducing public transport use.

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<sup>6</sup> Planning and Housing Committee 12 January 2009

[http://www.london.gov.uk/assembly/planning/2009/jan12/minutes/appendix\\_b.rtf](http://www.london.gov.uk/assembly/planning/2009/jan12/minutes/appendix_b.rtf)

<sup>7</sup> Securing Developer Contributions towards Crossrail: a non-technical summary section 2c

<sup>8</sup> The Central Activity Zone (CAZ) covers Westminster, parts of Camden, Islington, Hackney, Tower Hamlets, City, Southwark, Lambeth, Kensington and Chelsea and Wandsworth as set out in part 5G of the London Plan. The CAZ is the area where planning policy promotes finance, specialist retail, tourist and cultural uses and activities.

<sup>9</sup> 800 metre zones were chosen because they represent a 10 minute walk from stations; the area within which rail use is likely to be highest. Draft SPG Use of planning obligations in the funding of Crossrail, paragraph 4.5

- 5.5 **In respect of this latter point the Assembly believes that consideration should be given to existing policies that can be used to direct new development in areas of good public transport access and prevent development outside of existing town centres.**
- 5.6 It would be logical to expect developments across the route of Crossrail, and particularly around stations to generate substantial impacts on the system. The Assembly is mindful of the relevant Government guidance, specifically that part of ODPM Circular 5/05 that states “developers may reasonably be expected to pay for or contribute to the cost of all, or that part of, additional infrastructure which would not have been necessary but for their development. The effect of the infrastructure investment may be to confer some wider benefit on the community but payment should be directly related in scale to the impact the development will make.”
- 5.7 It is argued that Crossrail will relieve congestion across much of the existing network and the SPG notes that Crossrail will reduce current levels of overcrowding on the Underground, particularly in the central area (all Underground lines other than the Northern Line should see a reduction in passengers following the opening of Crossrail) and the Isle of Dogs. It will also reduce crowding on some National Rail services (particularly those using Liverpool Street, Paddington, Fenchurch Street, Charing Cross and Cannon Street).<sup>10</sup>
- 5.8 The document “Securing Developer Contributions towards Crossrail: a non-technical summary”<sup>11</sup> that was published to accompany the draft alterations and SPG maps the development impact on the rail network. It highlights the fact that the rail mode share in Central London is significantly higher than the rest of the capital and concludes that the proposal to apply the charge to the CAZ complies with the policy test of whether it fairly and reasonably relates in scale and kind to the proposed development and is “directly related to the proposed development”.<sup>12</sup>
- 5.9 The Assembly was told that this analysis of rail use, when plotted on a map, was sufficiently close to the boundaries of the Central Activity Zone that it would be sensible to adopt the CAZ boundary for this purpose.
- 5.10 The Assembly accepts that with all boundary drawing there will be issues arising from being on one side of the line or the other. However there seem to be a number of concerns about using the CAZ boundary particularly as they affect the parts of the south London boroughs of Southwark, Lambeth and Wandsworth where the map shows significantly lower levels of rail use compared with the central and eastern parts of the CAZ.
- 5.11 The case of the Elephant and Castle is a good example of this. The Southwark part of the CAZ is at a considerable distance from Crossrail stations - all of Southwark is more than 800m from the proposed stations at Farringdon and Liverpool Street – and the Elephant and Castle is some 2.8 kilometres distant from the nearest Crossrail station.

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<sup>10</sup> Draft SPG Use of planning obligations in the funding of Crossrail, paragraph 2.4

<sup>11</sup> <http://www.london.gov.uk/mayor/planning/crossrail/docs/non-technical-summary.pdf>

<sup>12</sup> Securing Developer Contributions towards Crossrail: a non-technical summary section 2c

- 5.12 The Assembly was told that areas such as Southwark will benefit from Crossrail in terms of congestion reduction on existing networks, especially on the Jubilee Line on the route to Canary Wharf. However it is noted that the SPG says that the Northern Line will not benefit from congestion reduction<sup>13</sup>, and London Bridge station is not expected to benefit from the kind of congestion reduction that will accrue to Liverpool Street, Paddington, Fenchurch Street, Charing Cross and Cannon Street stations. It could be argued that Stratford, for example, is more heavily dependent on the rail network than the Elephant and Castle or north Wandsworth and will benefit significantly from Crossrail but is outside the CAZ and so will not attract the charge.
- 5.13 Additionally, it has been argued that a Crossrail tariff would reduce the investment that could be directed towards the costs of infrastructure requirements such as the Northern Line station, which would have major implications for the delivery of the Elephant and Castle regeneration project.
- 5.14 The Mayor has concerns that applying a charge on development around stations in Outer London may have the perverse effect of displacing development to areas away from the rail network and reducing public transport use.<sup>14</sup> It is suggested that the same effect would arise from areas that are in the CAZ but do not significantly benefit from reductions in congestion on the existing network.
- 5.15 However the Committee is concerned that the requirement to apply the charge across the whole of the CAZ does not reflect the actual impact of developments within the whole of the CAZ and has not yet been adequately justified.
- 5.16 In the pursuit of ensuring simplicity of operation and administration, and providing certainty to developers, the proposals should pay due consideration to the tests of being fairly and reasonably related in scale and directly related to the development.
- 5.17 The requirement for any developer contributions must be necessary to make the proposed development acceptable in planning terms. This will be directly related to the impact that a development has on the crowding levels on the transport network. This impact obviously varies depending upon the use and location of the development.
- 5.18 **The Assembly notes that the CAZ was developed for planning purposes other than levying contributions for Crossrail. The Assembly would suggest that the Mayor review proposals to confine the charge to the existing CAZ boundary, particularly for areas on the margins which do not have such good access to the rail network and those which will not see significant reductions in congestion following the construction of Crossrail.**
- 5.19 The Assembly was told that, in these areas at the margins of the CAZ, if a case can be made that the charge will have a deleterious effect the planning system

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<sup>13</sup> <sup>13</sup> Draft SPG Use of planning obligations in the funding of Crossrail, paragraph 2.4 bullet point 2

<sup>14</sup> Securing Developer Contributions towards Crossrail: a non-technical summary section 3

is sufficiently flexible that the charge would not apply or would be applied at a lower rate.<sup>15</sup>

- 5.20 **This is a practical approach that demonstrates the potential for flexibility in the planning system. The Assembly has concerns however that this contrasts with the stated aim of providing certainty of expectations to developers that a policy applying to a specific land use in a geographically defined area at a standard charge provides. The Assembly would want to see the proposals and the SPG more explicit about what conditions would have to exist for the application of a lower charge or a complete waiver of the charge.**

## 6 How much?

- 6.1 Given the decision to restrict the application of the charge to developments that result in net increases in office floorspace of 500 square metres or more it is necessary to make a number of assumptions about the amount of development that will take place in London between now and the delivery of Crossrail expected in 2017.
- 6.2 The Assembly notes the projection that there will be 317,609 square metres gross office developments each year across the development cycle and that applying this to net additions results in 185,848 square metres.<sup>16</sup>
- 6.3 The Assembly also notes the further assumptions made taking account of:
- “Leakage” due to schemes involving changes of use or owners deciding to retain existing building rather than redevelop.
  - Development that will take place under planning permissions granted in advance without provision for a Crossrail contribution.
  - The cautious view taken of the likely yield of during a period of economic recovery.<sup>17</sup>
- 6.4 These result in an average figure of 137,848 square metres of net additional office floorspace in reasonably benign economic conditions and given the £200 million to be raised towards the cost of Crossrail this figure leads to a charge of £213.30 per square metre of net additional office floorspace for all office development involving a net increase of more than 500 square metres in the CAZ.
- 6.5 The assumptions used to calculate this charge mean the Assembly would wish to highlight the following points:
- **The Assembly notes that the advice is that the proposed charge would not deter development.<sup>18</sup> But it is clear that the current economic climate is different from previous downturns and that the period of economic recovery may take longer than**

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<sup>15</sup> London Plan Team, Planning and Housing Committee, 12 January 2009

<sup>16</sup> Draft SPG Use of planning obligations in the funding of Crossrail, paragraph 4.15

<sup>17</sup> Draft SPG Use of planning obligations in the funding of Crossrail, paragraph 4.15

<sup>18</sup> Jones Lang LaSalle, Planning and Housing Committee, 12 January 2009



**anticipated thereby resulting in lower yields from the charge in the short or medium term.**

- **The level of the charge is a consequence of the decision to restrict contributions to developments in the CAZ and the northern part of the Isle of Dogs. This limits the number of developments subject to the charge, suggesting that it may be higher than it need be with potential impacts on the viability of some development.**
- **Equally, the “leakage” rates may be higher than predicted, again resulting in a lower yield.**
- **Assumptions made elsewhere about the likelihood of applying the charge on development around stations in Outer London leading to the perverse effect of displacing development to areas away from the rail network do not appear to have been considered as a risk that may lead to developments being displaced outside the CAZ, particularly at its boundaries.**

- 6.6 The draft SPG indicates that the circumstances that exist in the northern part of the Isle of Dogs justify a different approach.<sup>19</sup> Growth in this area is particularly dependent upon the provision of additional transport capacity and is particularly dependent upon the additional capacity provided by Crossrail.
- 6.7 In view of this, a contribution at a higher level than that sought in CAZ will be sought in respect of all office development involving a net increase of more than 500 square metres in the northern part of the Isle of Dogs. **The Assembly notes the recent agreement at Wood Wharf in the northern part of the Isle of Dogs that has already generated a significant contribution towards Crossrail from a Section 106 agreement.**
- 6.8 **The SPG does not specify what the higher level of charge would be. The Assembly would wish to see details of the level of contributions that would apply in the northern part of the Isle of Dogs along with an explanation of the justification for a higher rate and how the proposed level of contributions has been calculated.**
- 6.9 The Deputy Mayor for Policy and Planning told the Assembly<sup>20</sup> that modelling was conducted on different radii up to 800 metres around outer London Crossrail stations to see what the impacts would be but it was concluded that outer London was not proposed to be subject to the charge principally because:
- The sums of money likely to be raised would not be great.
  - It would just add greater complexity to the process of collection.
  - Land values in outer London are lower and therefore the impact of a charge would be disproportionately greater in deterring development activity.

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<sup>19</sup> Draft SPG Use of planning obligations in the funding of Crossrail, paragraph 4.18

<sup>20</sup> Planning and Housing Committee, 12 January 2009

- 6.10 **The Assembly believes that the Mayor should consider the principle that Section 106 contributions should be levied in proximity to stations along the Crossrail route that will undoubtedly benefit from the new infrastructure. The Assembly would recommend the Mayor consider levying the charge on developments in proximity to stations along the route and other areas that will directly benefit from Crossrail possibly with adjusted tariffs to reflect land values and other considerations. This should have due regard to the value for money of such contributions, the effect on the local area and the viability of local developments.**
- 6.11 In terms of adding complexity to the process of collection, the Assembly is of the view that as boroughs will be negotiating Section 106 anyway it is not clear how a charge would add to the administrative complexity.

## **7 Impact on borough Section 106 revenue**

- 7.1 The total estimated cost for Crossrail is estimated to be in the region of £16 billion and in this context the £200 million to be raised by planning obligations represents just 1.25 per cent of the total project.
- 7.2 However, at local level this may have a significant impact on individual boroughs in relation to the amount of Section 106 they ultimately receive to spend on local improvements.
- 7.3 The economic viability of a development will affect the amount of Section 106 that can be negotiated and the requirement to levy a charge of £213.30 per square metre of net additional office floorspace for Crossrail will reduce the amount of Section 106 that is available for local priorities.
- 7.4 In terms of local impact the Mayor's proposals say that it is difficult to give an all-embracing answer with regard to the impact of existing Section 106 receipts as the different boroughs have markedly different policies.<sup>21</sup>
- 7.5 The Mayor should ensure that sufficient attention is paid to the specific impact of the proposals at a local level. Certain boroughs at the margin of the CAZ derive a significant proportion of their Section 106 receipts from the areas within the CAZ. Consequently requiring contributions for Crossrail for developments within the CAZ may have a significant impact on individual boroughs in relation to the amount of Section 106 they ultimately receive to spend on local improvements.
- 7.6 **Crossrail is likely to take a significant proportion of Section 106 receipts in some affected boroughs. It could be argued that the Mayor should take this into account and this may affect the decision to restrict the charge to the CAZ in favour of using a sliding scale applicable to developments in proximity to stations along the route and other areas that will directly benefit from Crossrail.**

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<sup>21</sup> Securing Developer Contributions towards Crossrail: a non-technical summary, section 3

- 7.7 The Assembly would hope that in the wider public consultation that follows the Assembly consultation phase, boroughs would ensure the Mayor receives comments on this specific impact of the proposals. It may be that the local impacts are sufficiently significant to affect the decision to confine the proposals to the CAZ.

## **8 Impact on London wide planning obligation policies**

- 8.1 The methodology contained in the SPG explains the reasoning for the decision to apply the charge only to developments that give rise to net increases in office floorspace of 500 square metres or more in the CAZ at a rate of £213.30 per square metre.
- 8.2 The resultant proposals to alter the London Plan policies are:
1. Adding a new Policy 3C.12A setting a policy framework consistent with the relevant Government guidance for the use of planning obligations to raise contributions towards the funding of Crossrail, with supplementary guidance to be provided on detailed matters, including standard charges and formulae to calculate the contribution that might fairly and reasonably be sought for particular kinds of development.
  2. Clarifying existing policies on priorities in planning obligations, making clear in particular the priority that should be given to the funding of Crossrail (Policies 6A.4 and 6A.5).
  3. Preparing for the Government's introduction of the Community Infrastructure Levy (New Policy 6A.5A).
- 8.3 The first of these apply to the “what, where and how much” questions and the last of these prepare for the guidance needed for the introduction of the Community Infrastructure Levy.
- 8.4 The Government has announced that it intends to introduce a Community Infrastructure Levy (CIL), with consequent implications for the future use of planning obligations. As the Mayor notes the practical implications of this are as yet unknown.
- 8.5 **The final implications of the introduction of CIL may require a review of the approach taken to the collection of developer contributions towards Crossrail and the Assembly would wish to see the Mayor preparing for this, should a review be necessary, in good time.**
- 8.6 The Assembly is concerned however about the minor changes to the existing policy 6A.4 – Priorities in planning obligations.<sup>22</sup> Specifically the proposed wording “Affordable housing, supporting the funding of Crossrail (see Policy 3C.12A) and other public transport improvements should, where appropriate, be given the highest importance. Importance should also be given to tackling climate change, learning and skills, health facilities and services and childcare provisions.”

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<sup>22</sup> Planning and Housing Committee 12 January 2009  
[http://www.london.gov.uk/assembly/planning/2009/jan12/minutes/appendix\\_b.rtf](http://www.london.gov.uk/assembly/planning/2009/jan12/minutes/appendix_b.rtf)

- 8.7 The Assembly was told that the re-wording of the policy is not a change of substance but is merely a change that was recommended to the Mayor by counsel.
- 8.8 Policy 3C.12A is a proposed new policy requiring developments that contribute to the transport needs addressed by Crossrail to contribute towards its funding through the use of planning obligations. There are large parts of London where development will not contribute to the transport needs that Crossrail seeks to address and Policy 3C.12A will be irrelevant in those circumstances, as will the reference to supporting Crossrail funding in the proposed alteration to Policy 6A.4 in the context of planning obligations. However, the remaining proposed alterations to Policy 6A.4 will apply and hold relevance across the whole of the London Plan area.
- 8.9 The Mayor and the London Assembly are under a statutory duty to have regard to the effect that the exercise of their powers would have on climate change and the consequences of climate change (Section 30(4) Greater London Authority Act 1999 (GLA Act), as amended). In that regard, the Mayor published a Climate Change Action Plan in February 2007 and the London Plan has been amended to incorporate specific reference to climate change issues.
- 8.10 The Climate Change Action Plan states, in relation to energy supply, that "the Mayor's top priority for reducing carbon emissions is to move as much of London as possible away from reliance on the National Grid and onto local, lower carbon energy supply". Climate change strategies and initiatives such as decentralised energy will normally benefit from holistic, rather than piecemeal management. Planning obligations are likely to be a key tool in facilitating this action plan objective in a planning context.
- 8.11 The proposed alteration to Policy 6A.4 would mean that tackling climate change would become an issue to which "importance" should be given, rather than the "priority" that the policy currently gives it. This change can be taken to suggest that tackling climate change is not as significant an issue for planning obligations policies as the current wording of the policy might suggest it is. The proposed alterations to Policy 6A.4 may therefore result in a reduction in the significance of tackling climate change as an objective for planning obligations, resulting in a material effect on the use made of planning obligations to secure contributions towards tackling climate change in London.
- 8.12 **The Assembly would not wish to see any reduction in the priority given to tackling climate change as an objective for planning obligations across the whole of London. The Assembly recommends that the Mayor should not amend the existing policy 6A.4 unless the current priorities for tackling climate change in Section 106 contributions can be preserved. The Mayor should consider that Crossrail only be a priority for planning obligations where there is a direct link to any particular development such that the additional transport needs of that development will be met in part by Crossrail.**