

Draft London Plan Briefing Note

Introduction

The draft London Plan is founded on what Sadiq Khan refers to as “Good Growth” – that is ‘sustainable growth that works for everyone, using London’s strengths to overcome its weaknesses’. A key part of this vision is delivering genuinely affordable homes for working Londoners to buy and rent and about creating a more socially integrated and sustainable city. There is recognition that there is no quick fix to the housing crisis and prepares Londoners for a marathon rather than a sprint which provides a clear indication of the scale of the challenge ahead.

1 Key infrastructure projects

The draft London Plan contains a commitment to key infrastructure projects both within and extending beyond London, including the Bakerloo Line extension, Crossrail 2 and HS2. These projects aim to support the potential of London’s key growth corridors and Opportunity Areas and increase housing capacity. The draft Plan reinforces this with additional resources and support to be provided by the Mayor’s Good Growth Fund. These areas will therefore offer greater development opportunities in anticipation of these infrastructure investments.

2 53% increase in housing target

To meet London’s projected population growth, the London Plan identifies need for 66,000 additional homes per year. The minimum ten year target has increased from 423,887 under the current Plan, to 649,350 under the draft Plan. This represents a sizable increase of 53% on the ten year target and boroughs will require the support of a range of developers in achieving this. Boroughs with the largest uplifts over current London Plan figures include Merton (223%), Brent (179%), Hillingdon (178%) and Hounslow (165%).

3 London expanding?

The draft London Plan highlights that whilst the Strategic Housing Market Assessment shows that London has a need for approximately 66,000 additional homes per year, the Strategic Housing Land Availability Assessment demonstrates that London has a capacity for 65,000 leading a shortfall of 1,000 units per annum. As a result, the draft London Plan proposes working with neighbouring authority areas beyond London to help accommodate this demand. This poses an interesting challenge for the duty to cooperate and also raises the question as to what those willing authorities will get in return? Expect this to be tested further during the examination process.

4 Greater role for small housing sites

Increased prominence is given to the use of small sites (up to 0.25ha and capable of delivering 1-25 homes) in housing delivery, with the draft London Plan requiring Boroughs to identify and allocate small sites for residential development as well as listing these sites on their brownfield registers. There is also now a specific 10 year Borough target for net housing completions on small sites and a presumption in favour of small housing developments subject to certain criteria. This will provide opportunities for small and medium sized housebuilders.

5 Affordable Housing threshold

The draft London Plan outlines the minimum 35% requirement for affordable housing will remain, rising to 50% for public sector land and Strategic Industrial Land. Those that meet this threshold will benefit from the fast track route through the planning process, not being subject to viability. Notably, there is scope for the 35% threshold to be increased through Supplementary Planning Guidance following a scheduled review in 2021.

6 Student Housing

The draft London Plan highlights that whilst there is a need for purpose-built student accommodation, Boroughs are encouraged to ensure that the accommodation is secured for occupation by a specified higher education institution. In addition, at least 35% of the accommodation should be secured as affordable student accommodation. These conditions are likely to be deemed overly restrictive for developers of student housing.

> continued overleaf

7 Estate regeneration

For estate regeneration schemes, the draft London Plan outlines a commitment that existing affordable housing floorspace should be replaced on an equivalent basis. Additionally, where social rented floorspace is lost, it should be replaced by general needs accommodation with rents based on the accommodation lost. For developers specialising in estate renewal schemes this could represent an onerous requirement.

8 Scope for increased density levels

Moving away from a prescriptive approach to density, and in order to optimise housing delivery, the draft London Plan sets out a design-led approach to determine the appropriate density for developments on a site-by-site basis. It recommends that where proposed residential development is deemed not to optimise the housing density, permission should be refused. The replacement of the confusing density matrix will be welcomed by developers who can test higher levels of density in sustainable locations.

9 Industrial Land

The draft London Plan has a much stronger focus on retention and protection of Strategic Industrial Land (SIL) and other industrial capacity. At the same time, it also outlines a requirement for Boroughs to explore opportunities to make more efficient use of SIL land. This includes industrial intensification and adapting SIL land to support modern industrial and commercial uses. The draft London Plan also places emphasis on ensuring a sufficient supply of industrial land, including last mile distribution, close to central London and the northern Isle of Dogs.

10 Green Belt protection

Continued protection of London's open spaces including Green Belt and Metropolitan Open Land. The draft London Plan also supports the extension of the Green Belt where appropriate. This position is consistent with central government's continued commitment to maintaining the Green Belt and places additional pressure on maximising the use of existing brownfield land in delivering the identified housing need.

11 Extension to CAZ

The draft London Plan proposes the creation of an additional CAZ satellite at Northern Isle of Dogs which is designated as a location for world city office functions. Potential future reserve locations for CAZ office provision are also proposed in Stratford and Old Oak Common. The purpose of these reserve locations is to accommodate any future demand for office space which exceeds development capacity within the CAZ.

12 Town Centre Network

Changes are proposed to the Town Centre Network contained in the current London Plan. Notably this includes upgrading Canary Wharf from major to metropolitan and Stratford from metropolitan to international, with both being designated as locations for high residential growth potential. This updated network provides a focus for where residential development in town centre locations can be accommodated.

Commentary

At over 500 pages in length, the draft London Plan is a long document with considerable policy detail to digest. Expect more contentious areas to be given further scrutiny during the plan examination process. The draft London Plan reflects several of the planning objectives expressed at a national level, notably in its continued protection of the Green Belt and greater attention to housing delivery. The Letwin review announced in the recent Budget aims to assess housing delivery against the grant of planning consents, and the draft London Plan similarly makes reference to providing details of housing delivery and phasing as part of the planning application process. With amendments to the National Planning Policy Framework due to be published in the Spring, the interface between national and London level planning policy therefore will be worth monitoring, particularly against a backdrop of economic uncertainty. Overall, the draft London Plan treads a fine line between optimising housing delivery and the protection of SIL and Green Belt. Whilst there is recognition that higher densities will be required in key locations, such as around transport nodes, plus a greater role for small sites, it remains to be seen whether the significant uplift in the housing target is achievable and how individual boroughs will respond.



Further information

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The consultation period is open until 2nd March 2018 and Terence O'Rourke are well placed to aid clients in preparing representations to the draft London Plan. Please contact us should you wish to discuss further.

