

PLANNING BRIEFING NOTE Febuary 2021

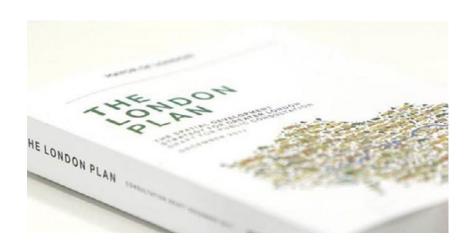


Sam Wells Senior Associate Tel. +44 (0)20 3486 3794 swells@geraldeve.com



Sam Neal Senior Planning Consultant Tel. +44 (0)20 3486 3312 sneal@geraldeve.com

LONDON PLAN PUBLICATION 2021



On 29th January 2021, following extensive exchanges and revisions, the new London Plan was authorised by the Secretary of State and the Mayor can now proceed with its publication.

It has been a relatively drawn out and politicised process to get to this point. Following Sadiq Kahn's election as the Mayor of London in 2016, the GLA swiftly commenced the preparation of a new London Plan to replace the previous Mayor's version, to reflect his vision and ambitions for the next 20 years, and the policies and issues on which he was elected. This was with the aim of delivering a new plan within his first term – an ambitious target given the background research and various stages it must go through including consultation, independent examination, and Secretary of State scrutiny before it is published.

It was this latter stage that caused the longest delays, with over six months passing whilst negotiations continued between the Mayor and Secretary of State, culminating in a formal response from the Government late last year. It goes without saying that the relationship between a Labour Mayor and the Prime Minister (and former Mayor) and his Conservative Government was never going to be smooth sailing, and the new London Plan process has been a fallout of this tension. But having conceded on several points, as discussed below, the Mayor has finally reached the last stage in formalising his new London Plan.



WHAT NEXT?

Over the coming weeks, the Mayor will be undertaking the necessary statutory notifications and administrative tasks required before he can formally publish the new London Plan. It therefore looks like the Mayor will achieve his aim of delivery within his first term, facilitated by a one-year delay to the Mayoral elections arising from the Covid crisis.

Once published, the new London Plan will form part of the statutory development plan for each of the local planning authorities in London and each new Local Plan that is prepared must be in "general conformity" with it.

The evolving nature of planning policy means that the Mayor will now be turning thoughts to updates and further iterations to the London Plan should he be re-elected. Correspondence from the Secretary of State has set out that he fully expects the Mayor to "start working to dramatically increase the capital's housing delivery and to start considering how your next London Plan can bridge the significant gap between the housing it seeks to deliver and the actual acute housing need London faces."

KEY CHANGES ARISING FROM THE NEW LONDON PLAN

At over 600 pages long, with 100 policies covering 10 topic areas, the new London Plan is more comprehensive and in-depth than its predecessor, with concerns raised by the industry about the level of detail it contains in some respects and whether it is indeed a "strategic framework" for London.

A key element which underpins the new policies is the guiding principle of 'Good Growth', which is achieving growth that is economically and socially inclusive and environmentally sustainable. There are six cross cutting policy objectives around making the best use of land, strong and inclusive communities, creating a healthy city, delivering homes, London's economy and efficiency and resilience.

Housing

With London's population projected to increase by 70,000 each year, providing new homes, particularly genuinely affordable homes, is a key priority for the Mayor, with a target of 52,000 net housing completions per year being delivered across London and specific targets set for each of the local authorities. The plan sets a strategic aim for 50 per cent affordable housing across London with a threshold approach to viability to incentivise 35 per cent provision (50 per cent for public land and SIL deemed suitable for release), as set out in his Affordable Housing and Viability guidance, whereby no viability appraisal is required, and no late-stage viability review will be imposed if this threshold is met.

There are also specific policies on other forms of housing including build to rent, older persons housing, and student housing – which are all are supported in principle, but affordable housing requirements are imposed for each. Co-living as a new form of non-self-contained housing is also acknowledged, but the focus remains on conventional housing with cash in lieu contributions towards conventional C3 affordable housing generally being expected on such schemes.

Economic good growth

The new London Plan provides greater recognition of the diversification of the office economy, including SMEs, startups, flexible, low-cost and affordable floorspace. Office use continues to be prioritised over residential use in the Central Activity Zone (CAZ), with a small number of exemptions, including the Vauxhall, Nine Elms, Battersea and Elephant & Castle Opportunity Areas. The new policies actively encourage commercial uses across the CAZ, fully recognising the contribution to London and the UK's economic heart. In terms of affordable workspace, in response to industry concerns at examination, a more generic, enabling policy has been introduced, with need and requirements to be decided and defined within individual local plans, before affordable workspace is sought on individual schemes.

Greater emphasis is also now being placed on the role of digital infrastructure and connectivity, both within the CAZ and across London, as an opportunity to promote a 'smarter' city. In response to the challenges and opportunities presented by digital retailing and to reflect the Use Classes Order, the draft Plan supports the diversification of town centres.

Design

The focus in the new Plan remains good design, respecting character and accommodating change. Of particular note is that the prescriptive density matrix has been removed, and an alternative approach introduced, of optimising site capacity through design led solutions. Supplementary guidance is currently being consulted upon, to ensure delivery of the right quantity of new housing, at the right quality, in the right place, and embedding high-quality design at the centre of housing delivery.

There is much focus on design review and borough-led panels, and referrable applications are required to undergo at least one design review prior to submission. A policy has also been introduced requiring an architect retention clause to be secured by way of legal agreement as a means of ensuring the design team's on-going involvement in a scheme.

Fire statements are also required for major developments – an independent fire strategy, produced by a third party, suitably qualified assessor.



Environment and Sustainability

The Mayor is committed to London becoming a zero-carbon city, which will require reduction of all greenhouse gases, of which carbon dioxide is the most prominent. Net zero carbon will apply to major developments, with a minimum on-site reduction of at least 35 per cent beyond Building Regulations for major development. Residential development should achieve 10 per cent, and non-residential development should achieve 15 per cent through energy efficiency measures alone. This change represents an increased focus to achieve net zero carbon with far more significant carbon offset payments of £95 per tonne sought where this is not achieved. This is a noticeable increase above the £60 per tonne figure against a 35 per cent reduction baseline (which is applied at present) and could have a significant financial impact on major schemes. Early discussion on this point is recommended going forward.

Circular economy principles are introduced in the Plan, with a new focus on the whole life cycle of the development, waste reduction, material re-use and recycling. Referable applications will need to promote circular economy outcomes and aim to be net zero-waste demonstrated through a bespoke statement.

While urban greening is currently promoted, the new Plan goes one step further to set a requirement for developments to achieve an urban greening factor score, in the absence of an adopted Borough target. Commercial development (excluding B2 and B8 uses) should achieve a score of 0.3 and residential development should achieve a target score of 0.4.

Major schemes must also demonstrate that they are 'Air Quality Neutral' developments, i.e. that they meet or improve upon, the air quality neutral benchmarks. The new Plan also introduces and promotes the Mayor's 'healthy streets' agenda, with a focus on walking and cycling, freight consolidation and green infrastructure.

The GLA has recently also consulted on a number of **draft supplementary guidance documents** that will support these policies within the new London Plan and final guidance is likely to be published over summer.

RECENT SECRETARY OF STATE DIRECTIONS

Ostensibly to align with matters raised in the Planning for the Future White Paper, the Secretary of State imposed a series of further directions at the end of 2020 that are worth highlighting, with these having been incorporated in the Publication Version.

The first relates to **industrial land**, including Strategic Industrial Land (SIL) and Local Strategic Industrial Sites (LSIS), which are formally designated by the boroughs. The new London Plan had established the presumption of no net loss of industrial floor space/capacity and set a high bar for developments affecting these industrial areas. The amendments to the London Plan agreed with the Secretary of State now allow for loss of industrial land to housing where green belt release would otherwise be necessary. You can read more about what this means for the industrial and logistics sectors **here**.

There have also been changes to **tall building policy** definitions primarily in response to Conservative MPs raising concerns about excessive building heights in parts of the capital. The Plan now states that Boroughs should set local definitions of tall buildings, to be no less than six storeys or 18 metres, to create a balance between allowing for increases in density and preventing isolated tall buildings outside of designated areas. While primarily aimed at Outer London Boroughs this change is particularly relevant in boroughs which do not already have their own local definitions of a tall building, where the six storey / 18 metre definition will otherwise be used.

GOING FORWARD

The policies within the new London Plan have been given increased weight by the Mayor in his decision making as it has moved closer towards the point of publication, and assessments against the policies within it have been undertaken on referable applications since it was first drafted. At the point of publication, the policies within the new London Plan have to be applied when planning decisions are made.

The policies and draft guidance should be taken into account in preparing planning applications in the future, especially referable ones. Consideration should also be given to the additional supporting documents that may need to now accompany planning applications, such as Circular Economy, Fire Safety Reports, Urban Greening Strategies and Whole Life Carbon Assessments, for example.

Should you have any further queries in relation to the New London Plan, or have any current or new proposals you wish to discuss in relation to this update, please do get in contact with one of the partners who would be happy to assist.

Disclaimer & Copyright

Gerald Eve's Property & Asset Management Briefing Note is a short summary and is not intended to be definitive advice. No responsibility can be accepted for loss or damage caused by any reliance on it.

© All rights reserved. The reproduction of the whole or part of this publication is strictly prohibited without permission from Gerald Eve LLP.