

CENTRE FOR LONDON

Planning for the Future

Response to Government's consultation

Centre for London is pleased to respond to the Government's consultation on the *Planning for the Future* White Paper. We are the capital's dedicated independent think tank. We develop new solutions to London's critical challenges, and advocate for a fair and prosperous global city.

This consultation response is based on our own research work over recent years, and on an informal roundtable discussion about the White Paper, held in September 2020. However, the views expressed in this response are the Centre for London's, and are focused primarily on the London-specific issues raised by the White Paper.

London's housing crisis is notorious and widely acknowledged, though the solutions to it are more debated. We believe the planning system is only one part of the response. The crisis also requires significant public investment in housebuilding, fairer property taxes, and measures to enable more accessible home ownership and a better deal for renters.

That said, we endorse:

- Moves to simplify plan-making, improve certainty and bring community engagement 'upstream' to focus on the process of defining development types and forms within local plans and ancillary documents;
- Modernisation of planning, public engagement and development management, through better and wider deployment of technology;
- A focus on design quality and sustainability, including an enhanced role for design codes;
- The aim of speeding housing delivery through diversifying development types, tenures and builders;
- A transparent community levy that will enable London boroughs to deliver the quantity and mix of affordable housing that the capital needs.

Our more detailed concerns and comments are as follows.

1. Role of the Mayor of London and London Plan, and of local plans

London has a unique three-tier system that has developed over the past 20 years, with the Mayor of London not only setting the strategic framework for local plans, but also having the power to intervene either directly or through development corporations in local planning decisions. The system is not perfect, but it achieves a good balance between strategic and local issues.

It is not clear how these tiers would work under new arrangements. Below are some outline suggestions that might form the basis for further work:

- The London Plan should make strategic designations of areas for Growth and Renewal (opportunity areas and former intensification areas might form a model for these), and Protected areas (including appropriate designations of metropolitan open land, strategic industrial land and green belt). Boroughs should supplement these with local designations.
- The Mayor should prepare a model ‘London Design Code’ based on the ‘Housing Design Guide’ and other publications. This would be supplemented by local design codes prepared by local authorities and/or through other local or neighbourhood mechanisms (e.g., neighbourhood forums or bespoke ‘co-design’ mechanisms).
- Where specific decisions are required (for example planning applications in Protected or Renewal areas, or reserved matters applications in Growth areas), these should be taken by the local planning authority, with the Mayor of London as a consultee and retaining powers to call in applications where they relate to a strategic designation or a significant scale of development (as now).

2. Housing numbers

The approach to housing numbers proposed in the White Paper has been controversial. London clearly needs significantly more housing than has been delivered over the past 20 years, and would continue to do so, even if population growth slowed. Successive mayors and council leaders in London have welcomed growth, but have underlined that they need the powers and resources to deliver the homes and infrastructure needed.

We note that [calculations undertaken by Lichfields](#) suggest that the (unconstrained) target for London would be 93,000 homes each year, with some of the highest targets (and biggest stretches) in central London boroughs. Given the London Plan inspectors’ scepticism about the current Mayor’s ability to deliver London’s current estimated need of 65,000 homes per year, and given recent housing delivery has been around 30-35,000 homes per year, such targets will be difficult to achieve.

We believe that the Mayor of London should take the lead in allocating housing targets within London, on the basis of a similar process of capacity and needs assessment as currently. We also believe – assuming future calculations continue to stipulate such a high target for London – that the Mayor should be empowered and required to undertake a review of London’s Green Belt, to develop a regional plan with surrounding counties (potentially through a new duty to co-operate between London and wider south east authorities), and to define Growth and Renewal areas to give more detail on how targets can be met.

3. Design codes, design review and borough capacity

London has blazed a trail in relation to developing and implementing design codes in recent years, and the 2010 [London Housing Design Guide](#) has had a lasting and positive effect in London. We believe that the Mayor should be responsible for defining a model design code for London, defining in broad terms design approaches for different London contexts (central,

inner, suburban centres, suburban residential areas), but allowing scope for boroughs to supplement this with codes relating to local vernacular and local aspirations, including through work with neighbourhood forums or similar structures.

We also believe that design review has had a [positive impact in London](#) in recent years, with more than thirty panels in place across London. These panels will continue to have an important role in reviewing masterplans and design codes, and – depending on scale and sensitivity – review individual planning permission or reserved matters applications.

The Government’s proposed changes will require significant change in what planning officers in local authorities do. While many officers will be able to switch to more masterplanning, public engagement and design coding functions, new training will be required for existing staff, alongside recruitment or procurement for new skills – not least given the capacity shortages in these areas revealed in a [recent survey](#). This is likely to require additional funding, through devolving control over fees, ‘new burdens’ funding, or a proportion of the infrastructure levy. We endorse proposals for a lead officer on design and placemaking in each local authority, and would also commend the [Public Practice](#) model as piloted in London as a way of enriching the skills mix in local planning authorities.

4. Community engagement and impact

Shifting community engagement upstream is welcome, has been widely discussed at Centre for London and is the subject of ongoing research. But effective engagement will need clarity on impact. We have already heard at events such as our recent [Developing Trust](#) conference a sense of betrayal from residents who believe that they have been consulted and listened to, in relation to local plans or planning frameworks, only to see something very different securing planning permission. Though we see the need to retain some flexibility through reserved matters and planning applications for departures, these may need to be subject to further community engagement. This is part of the bigger issue of balancing the clarity of rules-based planning systems, with the flexibility that discretionary systems allow; achieving the ‘best of both worlds’ will be an important consideration both in legislation and in the giving local and regional authorities the ability to experiment and innovate locally.

A similar issue arises in relation to permitted developments for change of use from commercial to residential, which has resulted in some notoriously bad developments. We are pleased to note that Government has agreed to apply space standards to permitted development. We would argue that such schemes should be brought wholly within the new system, and subjected to the same policies as new builds.

5. Affordable housing and infrastructure levy

We endorse simplification of the process for developer contributions, and the principle of the new infrastructure levy, including its application to permitted development and the potential for value to be delivered in-kind through on-site affordable housing provision.

We believe that market conditions in London give the capital very specific needs, including for the right balance of social rent, and subsidised market rent and sale. We believe that these

should remain a matter for the Mayor of London, in line with their housing duties. To bolster these, and address the challenges of accelerating build-out in the capital, we propose that the Mayor of London should be empowered to set or vary the levy rate within the capital, including to incentivise more rapid build out of schemes.

We would suggest exploring the idea of a phased introduction of the new levy a) to incentivise rapid build-out of existing schemes and b) to minimise the risk of developers facing viability challenges based on prices paid for land at the peak of the market and in advance of the new system being in place.

We also note that local or regional authorities may need to borrow significant sums against future infrastructure levy payments, in order to unlock complex sites, and suggest that this may be best achieved through well-structured partnerships with private developers, which share reward as well as risk.

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