

THE CHALLENGES AND OPPORTUNITIES OF IMPLEMENTING THE NEW LONDON PLAN

CLIENT BRIEFING



INTRODUCTION

The new London Plan (NLP) was formally published and adopted on 2nd March 2021, four years after its review commenced, and the third Plan since its inauguration in 2004. As the statutory spatial development strategy for London, the Mayor’s new London Plan will shape development across the capital and will play a pivotal role in the city’s success and prosperity. It will drive the three themes of housing delivery, economic growth, and sustainable development.

The NLP comes at a critical and challenging time for London City as it seeks to establish a post-Brexit identity and maintain its global position, whilst addressing the unprecedented impact of the Covid-19 pandemic. This note examines the scope of the NLP, its approach to tackling the major issues facing the city and considers whether it has enough foresight, or has over-extended its reach and purpose.

WHAT’S NEW?

In the Foreword for the NLP, London Mayor, Sadiq Khan, wrote that the plan marks a break from previous London Plans and “*represents a step-change approach and serves as a blueprint for the future development and sustainable, inclusive growth of our city*”.

Khan places emphasis on ‘Good Growth’ and working to re-balance development in London towards more genuinely affordable homes, spreading economic wealth and creating a greener, more sustainable and smarter city.

Here, we consider key aspects of the London Plan 2021 that feed into the Mayor’s vision.

The London Plan 2021 in numbers



47 Opportunity Areas



102 policies



27 designated strategic views



50 per cent of new homes to be genuinely affordable



10 per cent of new homes must meet the highest standards of accessibility



400 metre exclusion zone for new hot food takeaways near schools



52,000 new homes per year



55 Strategic industrial locations



43 safeguarded wharves



80 per cent of trips to be taken by walking, cycling and public transport by 2041



95 per cent of construction and demolition waste to be reused, recycled or recovered



All major developments to meet net **zero** carbon



4,000 consultation responses



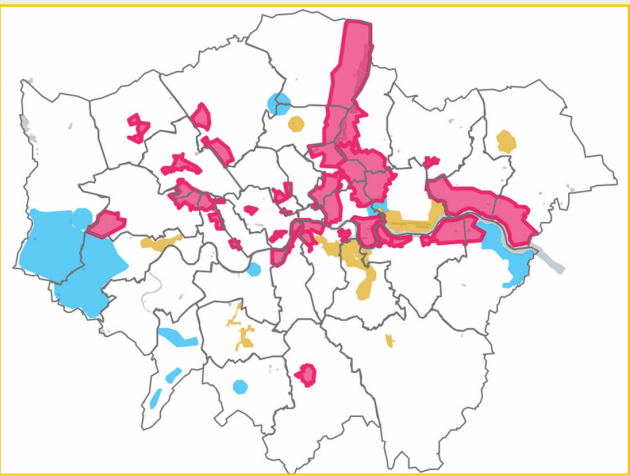
300 organisations and individuals participated in Examination in Public

OPPORTUNITY AREAS

The Plan identifies 47 Opportunity Areas (OAs) as significant locations with development capacity to accommodate new housing, commercial development, and infrastructure. Nine of the OAs are new to the NLP, whilst the remaining 38 have been retained from the previous NLP. The selection of these OAs is heavily based on improvements in public transport connectivity and capacity.

Whilst it’s practical to concentrate development around large transport projects, the delivery of these transport connections is debateable in light of Covid-19 and the need for funding. The Bakerloo Line Extension and Crossrail 2 are currently both on hold and will have a significant impact on OAs that are reliant on these connections. For instance, the Old Kent Road OA was identified at a time when the proposal for a Bakerloo Line Extension was first put forward in 2014. However, is it realistic to place emphasis on development in an area where connectivity is already an issue and will likely be exacerbated by increased growth? Would it be preferable to focus on OAs that are centred around new transport connections that are guaranteed?

Source: London.gov.uk



- Adopted boundary
- Emerging boundary
- Boundary to be defined

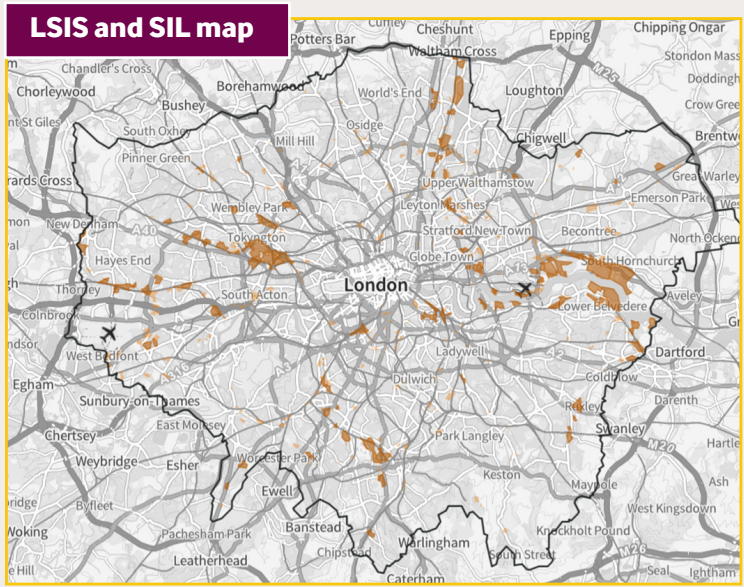
INDUSTRIAL INTENSIFICATION, CO-LOCATION AND SUBSTITUTION ON SIL AND LSIS

The NLP gives Boroughs more flexibility to release industrial land for housing in areas of high demand. There is an emphasis on intensifying industrial activities on land to deliver additional capacity and to consider whether some types of industrial activities could be co-located with residential and other uses. The NLP also encourages Boroughs to consider the scope to substitute some of London’s industrial capacity elsewhere in London and even beyond city’s boundary.

The intensification of industrial uses and co-location is a welcomed strategy to overcome the pressure for land in the city. The NLP even includes examples of how this intensification can be accomplished through introducing small units, developing multi-storey schemes, adding basements, and using land more efficiently through higher plot ratios.

Whilst this sounds very promising, there are many barriers to intensifying industrial sites that would need to be overcome first. Not all businesses are suited to intensification - developer preferences, increased construction costs, increased management and decreased occupier flexibility are all matters that would need to be considered. It bares the question of how the NLP can support this strategy and attract businesses to pursue intensification.

There is clearly a need for industrial uses in London, particularly given the continued rise of e-commerce. The NLP suggests that substitution of land capacity may be an approach to balance conflicting land needs. But it is not clear how a collaborated approach would work in practice and how realistic such an approach is. Would this strategy not result in more London authorities looking to displace their land in favour of other more desirable land uses?



Source: apps.london.gov.uk

TALL BUILDINGS

The NLP introduces a lower default threshold definition for tall buildings where no local definition is in place, reducing it from 25 m in height in the Thames Policy Area and 30 m in height elsewhere in London, to just 18m (or 6 storeys) across the entire Greater London Area. Essentially, unless a higher threshold has been set locally, the NLP’s tall buildings policy will be employed for any proposals over six storeys tall. This provides greater control over development proposed in lower to mid-rise areas of London where local Plans are silent on the height threshold. Whilst this gives Local Authorities greater control, there is a risk this may reinforce existing patterns of low-density urban form, reducing opportunities to optimise the development potential on some otherwise sustainable sites.

HOUSING DELIVERY

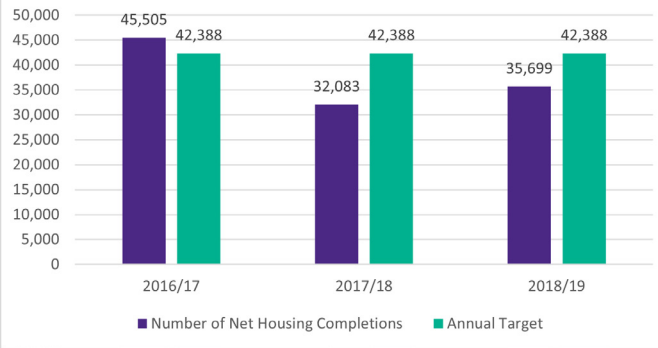
It is undeniable that London is facing a housing crisis. The NLP sets an ambitious annual target of 66,000 new homes, up from a minimum of 42,000 set by the previous London Plan. Key changes to the London Plan summarised above are arguably in place to support the delivery of more homes. However, is such a high target deliverable or is it setting up the London Plan to fail?

Figure 1 shows the number of net housing completions in London from 2016¹ (the adoption of the previous London Plan) to 2019 against the annual housing target set by the London Plan. Though the housing target was exceeded in the year 2016/2017, housing completions fell short of the target in 2017 – 2019. The latest Annual Monitoring Report was published in March 2021 and only covered the year 2018/2019. The data therefore doesn’t take into consideration the number of housing completions that took place between 2019 – 2021,

where the figures are expected to continue to be lower than the target, particularly given the impact of the pandemic as well. Taking this into account, it is unrealistic to set an even higher annual housing target when London boroughs have struggled to meet the previous lower target set.

London needs more homes to improve affordability, but the issue is complex and entails consideration to optimising the housing stock that is already in place and providing the right type of homes. Well-designed one-and two-bedroom units in suitable locations are important in achieving this. It provides attractive housing for those wanting to downsize, particularly by the older generation, as well as those looking to purchase their first home and move out of shared housing. The provision of smaller units would free up existing larger homes that are suitable for families.

Number of Net Housing Completions in London (Figure 1)



Source: [London.gov.uk](https://london.gov.uk)

AFFORDABLE HOUSING

The average London house price reached £507,230 in the latter quarter of 2021, compared to the average UK house price of £254,822². Affordable housing continues to be a major issue for the capital.

The NLP seeks to address this with a strategic target for 50% of new homes delivered to be genuinely affordable. This does not mean that each private development will have to provide 50% affordable housing. Instead, the London Plan sets out a threshold approach for major developments that trigger affordable housing requirements. The threshold level is initially set at a minimum of 35% for general development, going up to 50% when public sector land is involved, or the scheme would lead to a net loss of industrial capacity.

The threshold approach includes a Fast-Track Route which allows developments to progress without the need to submit detailed viability information.

SUSTAINABILITY

The NLP requires new buildings to be constructed to zero-carbon standards in line with London’s ambitious target to become zero carbon by 2050. Larger schemes will also be expected to be developed in accordance with circular economy principles – minimising demolition waste and designing new buildings so they can be disassembled, and the materials re-used at the end of the building’s life. Developments will also have to ensure they are air quality neutral.

This aspiration is laudable, but can it be implemented? The circular economy is referred to 49 times in the London Plan. Whilst supporting text is provided to clarify its meaning, the diagram provided is unclear and fails to set out how developments can achieve it.

However, to qualify for the Fast-Track Route, applications need to meet an arduous set of criteria. Viability assessments are required for applications that do not qualify for the Fast-Track Route and therefore will remain a cause for delays in the determination of applications.

Perhaps the key to tackling affordable housing does not solely lie in setting higher targets, but also in the type of housing that is being provided. The minimum space standards have not changed from the 2016 version of the London Plan. An article by Centre for Cities (2021)³ suggests that new London flats are currently too large for single people to rent or buy, by themselves. Space standards are currently 37 sq.m for 1 person, 1 bed flats and 50 sq.m for 2 persons, 1 bed flats when research shows that the average amount of space a Londoner in the private rented sector is able to afford is 24.6 sq.m⁴.

The same issue resonates for developments meeting the requirement to be air quality neutral. Further information is needed to understand how this can be accomplished and what off-site measures would be acceptable if air quality neutral cannot be achieved on-site. Supplementary planning guidance is in the process of being prepared and perhaps this will provide more clarity to support the new sustainability targets for developments coming forward.

Sources:

1. Mayor of London, KPI 4 - Annual Monitoring Reports (2016 -2019)
2. BBC News, Average house price hits record high of £255,000, 30 December 2021
3. Centre for Cities, Mayor of London – Three Policy Priorities for 2021, 19 April 2021
4. GLA Housing and Land, Housing Research Note 6 (An analysis of housing floorspace per person), February 2021

IS THE LONDON PLAN ALREADY OBSOLETE?

By the very nature of the plan-making process, the London Plan became outdated as soon as it was published in March 2021, and even more so during a global pandemic and its unprecedented consequences. At the start of the plan-making process in 2016, the capital had been steadily growing for the last 30 years and the understandable assumption was that the growth would continue.

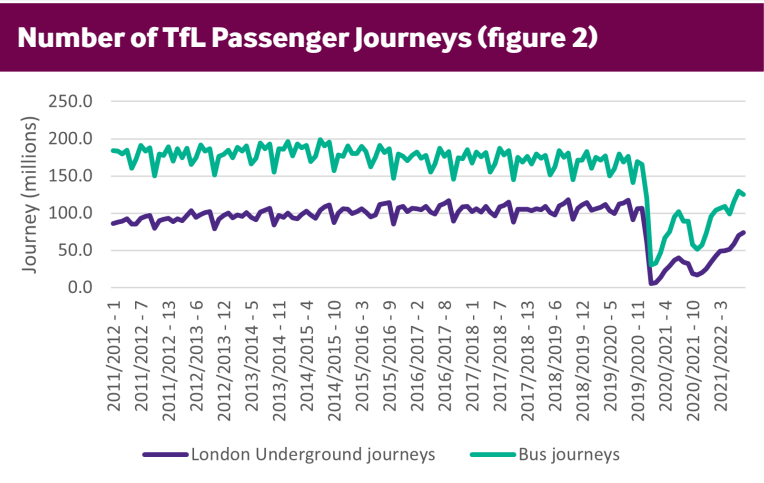
The impact of Covid-19 has forced companies to adapt. Commuting into London five days a week seems a distant memory with hybrid working becoming the new normal for many. The long-term impact of homeworking is still to be determined, but one only has to walk around the City of London to see the array of empty offices and shops.

Lockdowns and advice to work from home saw the number of passengers using Transport for London dramatically decline in 2020. Figure 2 shows that the numbers of passengers are slowly increasing but they are still notably below pre-pandemic levels. London relies on people and would not be as vibrant and attractive without its bustling population.

This is already being reflected within central London. Oxford Street looks very different to what it once did with many of its landmark stores having closed down and been boarded up.

It seems that high rents, combined with less people, has led to even the most notable high street in England to have suffered as a result of the pandemic. At this rate, the future of London could look very different to the one that the NLP planned for, with fewer people overall and quieter commuter journeys.

Currently, there is no reference to “Covid-19” or “pandemic” within the new London Plan. This is surprising considering how much of our lives have been dictated by Covid and its assorted variants. It is understood that the London Plan covers an extended period up to 2041, but it is undeniable that the pandemic will have a long-lasting impact and will require a comprehensive and flexible strategy to tackle London’s recovery. An addendum to the NLP should be considered which tackles the early impacts of the pandemic and how to attract people back to the city.



Source: London.gov.uk

NEW LONDON PLAN AS A STRATEGIC DOCUMENT

The London Plan has been criticised for being too long and complex, and the new London Plan is no exception to this at 542 pages. The Plan is intended to be a strategic, over-arching planning document but arguably acts more as a development management document containing a wide range of detailed policies.

This concern is reflected in the consultation responses from the London Boroughs. London is a diverse city, comprised of a range of communities with different needs that should be addressed at local level. As stated in the response from John Biggs (Mayor of Tower Hamlets):

“reducing local discretion over detailed planning policies risks reducing the ability of these distinct areas and communities to consider and resolve these concerns in a locally appropriate manner”.

The effectiveness of the NLP also ties into the Mayoral election system.

The London Plan is a long-term strategy document, but it is difficult to set this strategy when London Mayors are subject to a 4-year term. It has taken 4 years for the current Plan to be prepared and adopted and will take several more years to be able to fully assess the outcomes of it.

This is not to detract from the importance of the NLP as a document. It is a necessary instrument to support the development of London as a whole and set important strategic targets for tackling climate change.

LOOKING AHEAD

The London Plan is a fundamental document in shaping the capital. Consultation on further supplementary guidance is currently underway and demonstrates that the current Plan, despite being over 500 pages, does not provide all the necessary information required to implement its policies.

However, a more succinct document that focuses on key strategic planning issues may be more appropriate. Inspiration could be taken from the Strategic Development Plan for Edinburgh and South East Scotland, which is a concise 37-page document, covering similar themes but from a solely spatial and strategic perspective.

The future version will require a re-think to ensure a strategic plan is delivered, that is less detailed and complex, and offers greater flexibility for London Boroughs to address the needs of its local people.

Noteworthy consultations

Consultation	Dates	Summary
Current		
Fire Safety LPG	11 Feb – 20 June 2022	Sets out how applicants should demonstrate that their schemes comply with Policies D5 and D12.
Characterisation and Growth Strategy LPG	11 Feb – 27 March 2022	Guidance on how to carry out a borough or neighbourhood-wide characterisation assessment (or study).
Housing Design Standards	11 Feb – 27 March 2022	Provides a set of standards and checklist policy requirements of the London Plan.
Optimising Site Capacity: A Design-led Approach LPG	11 Feb – 27 March 2022	Sets out how the design-led approach set out in Policy D3 should be applied.
Small Site Design LPG	11 Feb – 27 March 2022	Guidance relates to Policy D6 (housing quality and standards).
Large-scale Purpose-Built Shared Living LPG	27 Jan – 27 March 2022	Provides information on how to apply London Plan Policy H16.
Past		
Planning for London Programme	14 Dec 2021 – 31 Jan 2022	Called for evidence of what should be considered in developing the programme for the new London Plan.
Monitoring the London Plan 2021	14 Dec 2021 – 31 Jan 2022	Consultation on the new monitoring framework to monitor the London Plan.

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