

Insights

THE SHAPE OF THINGS TO COME: ADOPTION OF THE NEW LONDON PLAN

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SUMMARY

The new London Plan 2021 was adopted on 2 March, four years after its first inception. During the plan making process it came under much central government scrutiny and criticism. As a result the Mayor was required to make a number of concessions and policy revisions which we discuss in this blog.

Introduction

The new London Plan (which is the third since it was first published in 2004) was formally published and adopted on 2 March 2021, four years after its first inception. It comes at a pivotal and challenging time for London as it seeks to establish a new post-Brexit identity and maintain its global position, whilst emerging from the embers of the Covid pandemic.

As the statutory spatial development strategy for London, the Mayor's new London Plan will shape development across the city for the next twenty years and will play a crucial role in the city's success and prosperity, driving housing delivery, economic recovery and sustainable development.

'Good Growth'

The new London Plan has the challenge of delivering growth in a constrained city for a population projected to increase by 70,000 each year, reaching 10.4m by end of the Plan's term in 2041. It intends to do this with an overarching objective of 'Good Growth' that is 'socially and economically inclusive and environmentally sustainable' and by being 'more ambitious and focussed than any previous London Plan'.

Directions for change

Given its importance and status, the draft policies were closely scrutinised during a five month Examination in Public in 2019. The first Intend to Publish version of the new Plan was submitted to

the Secretary of State for approval in December 2019. Approval was not initially provided. Instead public criticism was levelled at the Mayor's 'deeply disappointing' track record on housing delivery and promotion of a Plan that would make development more difficult and fail to bring more land into the planning system. This culminated in the issue of thirteen directions by the Secretary of State requiring changes to parts of the Plan before it could be approved. The Mayor ultimately conceded to all the directions and submitted a second Intend to Publish version to the Secretary of State in December 2020. This version received approval and is now the adopted new London Plan 2021.

Developers will be interested in the following policy areas that were the focus of the Secretary of State's criticism and directed revision during the Plan making process.

Intensification

In a highly developed city constrained by Green Belt, policies around intensification and density of development continue to be a dominant theme in the new Plan.

However, revisions to these policies were made to reflect the Secretary of State's concerns that, to ensure sites optimise capacity, clarification was needed on where higher density development should be located. Without these changes, there was a risk that high density development could be delivered without consideration of the surrounding areas, potentially to their detriment. Additionally, expansion of existing high density areas and Opportunity Area boundaries can be considered and incremental densification actively encouraged. The changes made following the direction mean that **the adopted Plan supports intensification and higher density development, but this must be directed to the most appropriate sites** and at a level that is proportionate to its connectivity. Higher densities will, in general be permitted on sites with higher public transport access and accessibility to town centres.

Housing

Housing delivery proved another key area of contention between the Secretary of State and the Mayor with serious concerns that ambitious boroughs were actively discouraged from delivering housing above their targets and that the draft policies undermined the national housing delivery test approach. As directed, amendments were made so that **Boroughs can now deliver housing in excess of their targets if evidence suggests this is possible**. The policy that prevented under delivering Boroughs from being penalised due to factors outside their control was removed, which means **that Borough's must face the pressure to deliver housing and the consequences of under delivery without excuse**.

The Secretary of State also thought the original version of the Plan would fail to provide homes to people of different ages, backgrounds and situations in life, to the particular detriment of families and he thought that industrial land should be released for housing in certain cases. Both these

points were addressed and **the adopted Plan now gives Boroughs more flexibility to release industrial land for housing in areas of high housing demand.**

Green Belt and MOL

The original policy on the Green Belt and Metropolitan Open Land was criticised for its inconsistency with national policy which could be confusing due to the lack of references to 'exceptional circumstances'. Modifications were made so that these policies **mirror national policy, which requires exceptional circumstances to justify their extension or de-designation.**

The White Paper

The Government's White Paper on planning published last summer, proposes a fundamental re-focusing of local plans. There is little mention of the London Plan specifically in the document, but under the proposals development management policies would potentially have to be stripped out as these would be contained in the NPPF only. There would likely still be a role for the London Plan if the proposals are taken forward, but it would probably be limited to land allocations with annotations to identify zones (eg 'Growth Areas') and housing distributions. MHCLG is expected to publish its response to the White Paper this spring and a Planning Bill later in the year, so we will have a better idea then of how the London Plan will fit within the reformed planning system and if modifications are required.

Conclusion

The success of the new London Plan depends in a large part on infrastructure delivery to bring development sites forward, but with an acknowledged funding gap this is a potential barrier to its growth ambitions.

Solutions proposed by the Mayor in the Plan to plug this gap include further devolution of fiscal powers, other potential sources of funding such as land value capture, and a bigger role for private investors in infrastructure investment. He also makes the case for further reforms of, and resources to support compulsory purchase, and for new land assembly models to support the delivery of affordable housing. However, given that the relationship between the Mayor and central Government has been severely tested during the Plan making process, we expect that the Government will be reluctant to devolve further control in the near future.

It is clear that London will face some huge challenges in the next two decades. Whether the directed amendments to the adopted Plan means that it is now better placed to deliver in the face of these challenges, and whether further changes will be needed if the White Paper proposals are implemented, cannot be known at this stage. We will have to wait and see before concluding whether or not the London Plan 2021 delivers on its 'Good Growth' objective.

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