

# London Councils

The voice of London local government

## Housing & Planning Bill Committee stage, Thursday 17 March Clauses 125 - 151. Planning in England

### London Councils

London Councils represents London's 32 boroughs and the City of London. We make the case to government, the Mayor and others to get the best deal for Londoners and to ensure that our member authorities have the resources, freedoms and powers to do the best possible job for their residents and local businesses.

### Overview

London Councils supports the government's ambition of a planning process that does not inhibit the speed of potential delivery.

London's boroughs have a commitment to boosting London's housing supply and building the homes that Londoners need in accordance with local priorities and London-wide need. We believe that new clauses that would localise planning fees to London boroughs and reform the use of permitted development rights would be two steps in the right direction to further enable boroughs to address London's housing needs and ensure the right mix of provision to support thriving local economies.

We also believe that ensuring the delivery of affordable housing on appropriate sites through planning obligations is essential to meeting the housing requirements of London and providing mixed and balanced communities.

### Amendments to Clauses 125 - 151

London Councils is **supportive of amendments 100ZB, 100ZAC and 101** that would localise planning fees by providing boroughs with the freedom to set and schedule planning fees. This would produce a more effective, swifter and consistent planning service, and ensure a properly resourced and more efficient planning system in the context of development control in London.

London Councils is **supportive of amendment 101A** which would allow local planning authorities in London control over the permitted development of offices to residential units. This would enable the increased protection of essential office space in London in boroughs where this is appropriate.

London Councils **supports new clause 98C<sup>1</sup>** which could speed up the delivery of development on public land. The proposed clause would allow local authorities to challenge public land owners to present development proposals for registered publically owned sites after six months if no plans have already been prepared. After this time period, if there remains no good reason for land owners to allow sites to remain undeveloped, the clause would allow local authorities to compulsory purchase land and direct development on the site to their own proposals.

London Councils **opposes clause 143** standing as part of the Bill. Local authorities securing affordable housing through planning obligations is a vital method of ensuring that affordable housing that best meets local housing needs is provided in London. The proposed clause may hinder local authorities in securing affordable housing in this manner.

## Planning Fees in London

London Councils believes that the government should localise fee setting so as to support boroughs that commit to boost the supply of housing. London Councils' research revealed that there was an estimated net shortfall of around £37-£45million annually between 2012-13 and 2014-15 between the cost of boroughs processing planning applications and how much money was raised through nationally set planning fees.

The same research also found that if planning fees for large scale housing regeneration projects were charged on a full cost recovery system, developers could save substantial amounts of money in delayed development costs, increasing certainty in the development process. Full cost charging, set at a local authority level, could also be used to fund the kind of pro-active multi-borough teams that supported the work of the Olympic Development Authority.

## Permitted Development Rights in London

Greater London has been particularly affected by the introduction of permitted development rights (PDR) that allow the conversion of existing office accommodation into residential dwellings without seeking planning permission. In many parts of the capital there is a significant difference between office and residential values which has created an incentive for developers to seek conversion of viable and occupied offices without seeking planning permission.

London Councils have continued to raise concerns about the introduction of PDRs and how the policy has led to a loss of key office accommodation in the capital. We estimate that between May 2013 and April 2015 at least 100,000 square feet of office floor space has been lost. This loss of office space has also led to the increase of office rents in some London boroughs.

PDRs can also be seen to have impacted on new affordable housing supply. Between May 2013 and April 2016 at least 16,000 new dwelling have avoided the full planning process through office-to-residential PDRs. Had these developments been required to seek full planning permission for their conversion, many of them would have been required to contribute to affordable housing provisions through S/106. This light-touch application process has therefore likely lead to the loss of thousands of affordable homes across London.

## Planning Obligations & Affordable Housing

Clause 143 of the bill would provide the Secretary of State (SoS) with a power to restrict, or impose other conditions on, the enforcement of planning obligations in relation to affordable housing on development sites.

The delivery of affordable housing by planning obligations is essential to increasing affordable housing supply in London, and especially ensuring that the type of affordable home delivered best reflects local housing needs. In 2013/14 3,473 affordable homes were delivered via planning obligations representing 37% of all affordable housing delivered in London that year.

Local Authorities have a strong understanding about the types of affordable housing most required in their areas and the viability of development schemes coming forward in their area. Allowing the Secretary of State to control the number and type of affordable housing delivered on sites may hinder the provision of suitable affordable housing to best meet local requirements.

London Councils research has shown that London Boroughs spent approximately £663 million on temporary accommodation in 2014-15. Maximising the amount of affordable housing delivered through planning obligations would be likely to reduce the money spent on temporary accommodation and therefore help manage overall Government spending on housing.

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*London Councils represents all 32 London boroughs and the City of London. The Mayor's Office for Policing and Crime and the London Fire and Emergency Planning Authority are also in membership*