

# London Councils

The voice of London local government

## Housing & Planning Bill Committee stage, Thursday 10 December New Clauses & New Schedules

### 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. See below for an overview, followed by our opinions of specific amendments.

### Overview

London Councils supports the government's ambition of a planning process that does not inhibit the speed of potential delivery. However, we also want to use the Bill's passage to explore a number of measures that are not included in the Bill in its current form, but that these new clauses would go some way to address.

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 the below 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.

### Opinion on Amendments

#### New Clauses 24 and 31 - charging and recovery of fees.

London Councils is supportive of new clause 24 and new clause 31 that would localise planning fees by providing boroughs with the freedom to set and schedule planning fees.

We believe the government should localise fee setting and scheduling controls so as to support boroughs that commit to boost the supply of housing. 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 having seen an estimated net shortfall of around £37-£45million annually between 2012-13 and 2014-15.

London Councils published the results of research on charges last year. **This found that if planning fees for large scale housing regeneration projects were charged on a full cost recovery system enabling councils to meet all 13 week planning targets, this would save developers up to £486 million per year in delayed development costs, while adding only £65 million in planning fees.** Full cost charging could also be used to fund the kind of pro-active multi-borough teams that supported the work of the Olympic Development Authority.

## **NC36 – Permitted Development Rights**

London Councils is supportive of new clause 36 which would require applicants to be granted planning permission from the local authority before converting office space into residential dwellings.

Greater London has been particularly affected by the introduction of permitted development rights (PDR) by the previous government which permitted applicants to convert existing office accommodation into residential dwellings without seeking planning permission. This is because in many parts of the capital there is a significant difference between office and residential values which, combined with high demand and land scarcities, has created a real incentive for landlords 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.

In many London boroughs the critical mass loss of office space has impacted on the viability of economic centres. For example, parts of outer London such as Richmond-upon Thames are particularly vulnerable to conversions through PDRs due to the substantial difference between office and residential space.

PDRs can also be seen to have impacted on new affordable housing supply. Since May 2013 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, they 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.

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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*