MAYOR OF LONDON

Rt Hon Robert Jenrick MP

Secretary of State for Housing, Communities and Local Government Ministry for Housing, Communities and Local Government 2 Marsham Street London SW1P 4DF

Date: 1 October 2020

Dear Robert,

Changes to the current planning system

Further to my previous correspondence on this issue, I am formally responding to your 'Changes to the current planning system' consultation.

I believe we share the same desire to build more of the homes that Londoners need. Over recent years, real progress has been made. The three years with the highest levels of housing delivery have all been during my tenure. I have delivered over 40% more homes than the previous Mayor did in his last term. In 2018/19, Greater London delivered 15% of England's Homes on just 1.2% of its land.

My approach, including in my new London Plan and the support measures I have put in place for SME builders, is facilitating delivery of housing even through an unprecedented time of economic and social disruption. What's more, despite what the proposed changes seem to be trying to address, the granting of planning permission for new homes simply isn't the problem. There are over 300,000 homes in the pipeline for London waiting to be completed which is almost 6 years' supply of homes.

Instead of building on the progress the city has made, working closely with myself, the boroughs and local communities, and addressing those issues which continue to hold back the building of new homes, I believe these proposals will be a retrograde step, risk alienating communities and actually make it less likely London builds the homes it needs.

In addition, centralising the planning system with targets driven from Whitehall is a backward step and flies in the face of the Government's commitment to devolution. The proposals represent a serious weakening of local democracy, and undermine the almost universally acknowledged notion that local areas know what works best for them. Trying to construct a one size fits all planning approach for a country as diverse as ours would be a mistake. In addition, every four years Londoners have the opportunity to directly elect a new Mayor on the back of this mandate successful candidates should have the freedom to create a planning framework that works for the city. The current Government has no mandate in London to introduce these changes.

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There needs to be much more recognition of the unique challenges different areas face, not least the specific circumstances faced by a large conurbation of 10 million people, like London. The recent experience of the pandemic has shown that the country actually needs less control from Whitehall, not more.

My consultation response is attached, but to summarise these are my concerns that urgently need addressing:

- 1. There is already planning permission for over 300,000 homes in the capital that have <u>not</u> been completed. Planning permission is not the key problem. Instead London needs further funding for much needed infrastructure to unlock sites and deliver more affordable housing. A diverse tenure mix boosts building out of sites and absorption rates exactly as set out in the Government's own Letwin Review in 2018, creating jobs and growth to support London and the UK recover from the COVID-19 pandemic.
- 2. The proposals contain no evidence to support any of the four proposals to amend the current planning system or the potential impacts on communities and on its 'levelling up' agenda. If this evidence does exist, it must be published without delay. If it doesn't, the proposals should be dropped.
- 3. The step-change we need to see in housing delivery is never going to happen without additional government investment in skills and training, and in supply chains to support the sector.
- 4. The proposed standard methodology is not fit for purpose in a London context: it does not respond to the complexity of London's housing needs and produces, and results in, an undeliverable target for London. This is widely accepted across London and the South East, with cross-party opposition to the plans. The algorithm is flawed by doubling-down on the affordability weighting, driving higher housing targets in areas where no land is available because it is already intensively developed. For example, in the Royal Borough of Kensington and Chelsea, the algorithm generates a housing need figure of 3,285 homes per year, compared to the 448 homes the borough actually has capacity for, as agreed by the Inspector Panel for my new London Plan. A significantly more sophisticated model is required to better reflect the reality of dense urban areas and ensure housing calculations do not actively discourage ambitious boroughs elsewhere in England.
- 5. I am also concerned about the proposed raising of the affordable housing threshold to 40-50 homes and the introduction of the First Homes product, which will be unaffordable for the vast majority of Londoners. These proposals could lead to a pause in the delivery of housing on small sites. It is clear to me that the most likely outcome will be a considerable drop in vital affordable housing delivery.

If the Government is truly serious about providing the development sector with the conditions it needs to bring sites forward and take investment decisions, my new London Plan must be agreed without delay, so the industry and boroughs can get on with meeting their increased housing targets and delivering the homes London's communities desperately need, as well as delivering Good Growth. This is the time for certainty and stability, not upheaval, confusion and instability.

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The Prime Minister says he wants to build, build, build. The best way to do this is to provide certainty. Yet the proposed changes to the planning system will result in the opposite and stall development at the worst possible time.

As I have previously requested, I would welcome a meeting to discuss these matters with you as soon as possible.

Yours sincerely,

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Sadiq Khan Mayor of London

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