



Ministry of Housing,
Communities &
Local Government

Sadiq Khan
Mayor of London
City Hall
The Queens Walk
London SE1 2AA.

Rt Hon Robert Jenrick
*Secretary of State for Housing, Communities and Local
Government*

**Ministry of Housing, Communities & Local
Government**
Fry Building
2 Marsham Street
London
SW1P 4DF

Tel: 0303 444 3450
Email: robert.jenrick@communities.gov.uk

www.gov.uk/mhclg

13 March 2020

Dear Sadiq,

Thank you for sending me your Intention to Publish version of the London Plan (the Plan).

Every part of the country must take responsibility to build the homes their communities need. We must build more, better and greener homes through encouraging well-planned development in urban areas; preventing unnecessary urban sprawl so that we can protect the countryside for future generations. This means densifying, taking advantage of opportunities around existing infrastructure and making best use of brownfield and underutilised land.

Housing delivery in London under your mayoralty has been deeply disappointing, over the last three years housing delivery has averaged just 37,000 a year; falling short of the existing Plan target and well below your assessment of housing need. Over the same period, other Mayors such as in the West Midlands have gripped their local need for housing and recognised the opportunities this brings, leading significant increases in the delivery of homes.

Since you became Mayor, the price of an average new build home in London has increased by around £45,000, reaching £515,000 in 2018, 14 times average earnings. Clearly, the housing delivery shortfall you have overseen has led to worsening affordability for Londoners; and things are not improving, with housing starts falling a further 28 per cent last year compared to the previous.

Critical strategic sites have stalled, epitomised by your Development Corporation in Old Oak and Park Royal being forced to turn away £250 million of Government funding because of your inability to work successfully with the main landowner. You also turned away £1 billion of investment we offered to deliver Affordable Homes, because of the support and oversight that would accompany this. You have put a series of onerous conditions on estate regeneration schemes for them to be eligible for grant-funding, such as the requirement for residents' ballots. In attaching such conditions, you are jeopardising housing delivery and this approach will make it significantly more difficult to deliver the Plan's targets and homes needed.

Following the Planning Inspectorate's investigation of your Plan, they only deem your Plan credible to deliver 52,000 homes a year. This is significantly below your own identified need of around 66,000 homes and well below what most commentators think is the real need of London. As I have set out, the shortfall between housing need in London and the homes your Plan delivers has significant consequences for Londoners.

Leaving tens of thousands of homes a year needed but unplanned for will exacerbate the affordability challenges within and around the capital; making renting more expensive and setting back the

aspirations of Londoners to get on the housing ladder, make tackling homelessness and rough sleeping more challenging and harm the economic success of London.

Everyone should have the chance to save for and buy their own home so they can have a stake in society. In the short run this requires a proactive stance in building homes for ownership, including Shared Ownership and First Homes, and in parallel delivering a consistently high level of housing supply of all tenures. You should also be looking to deliver homes which people of different ages, backgrounds and situations in life can live in. Your Plan tilts away from this, towards one-bed flats at the expense of all else, driving people out of our capital when they want to have a family.

Your Plan added layers of complexity that will make development more difficult unnecessarily; with policies on things as small as bed linen. Prescription to this degree makes the planning process more cumbersome and difficult to navigate; in turn meaning less developments come forward and those that do progress slowly. One may have sympathy with some of individual policies in your Plan, but in aggregate this approach is inconsistent with the pro-development stance we should be taking and ultimately only serves to make Londoners worse off.

This challenging environment is exacerbated by your empty threats of rent controls, which by law you cannot introduce without Government consent. As we all know, evidence from around the world shows that rent controls lead to landlords leaving the market, poorer quality housing and soaring rents for anyone not covered by the controls.

I had expected you to set the framework for a step change in housing delivery, paving the way for further increases given the next London Plan will need to assess housing need by using the Local Housing Need methodology. This has not materialised, as you have not taken the tough choices necessary to bring enough land into the system to build the homes needed.

Having considered your Plan at length my conclusion is that the necessary decisions to bring more land into the planning system have not been taken, the added complexity will reduce appetite for development further and slow down the system, and throughout the Plan you have directly contradicted national policy. As you know, by law you must have regard to the need for your strategies to be consistent with national policies.

For these reasons I am left with no choice but to exercise my powers to direct changes.

Your Plan must be brought to the minimum level I would expect to deliver the homes to start serving Londoners in the way they deserve. However, this must be the baseline and given this, I ask that you start considering the next London Plan immediately and how this will meet the higher level and broader housing needs of London.

Directions

Due to the number of the inconsistencies with national policy and missed opportunities to increase housing delivery, I am exercising my powers under section 337 of the Greater London Authority Act 1999 to direct that you cannot publish the London Plan until you have incorporated the Directions I have set out at **Annex 1**. Should you consider alternative changes to policy to address my concerns, I am also content to consider these.

In addition to the attached Directions, I am taking this opportunity to highlight some of the specific areas where I think your Plan has fallen short of best serving Londoners.

Ambition: It is important that both Government and you as Mayor are seen to be leaders in supporting ambitious approaches to planning and development; and I am concerned that your Plan actively discourages ambitious boroughs. I am therefore Directing you to work constructively with ambitious London Boroughs and my Department to encourage and support the delivery of boroughs which strive to deliver more housing.

Small sites policy: The lack of credibility the Panel of Inspectors were able to attribute to your small sites policies resulted in a drop in the Plan's housing requirement of 12,713 homes per year. This was due to a combination of unattractive policies, such as 'garden grabbing' by opening up residential gardens for development, and unrealistic assumptions about the contribution of policies to the small sites target. I hope that where your small sites policies are appropriate, you are doing all you can to ensure sites are brought forward.

Industrial land: Planning clearly requires a judgement to be made about how to use land most efficiently, enabling sufficient provision for housing, employment and amenity. The Inspectors considered your industrial land policies to be unrealistic; taking an over-restrictive stance to hinder Boroughs' abilities to choose more optimal uses for industrial sites where housing is in high demand. I am directing you to take a more proportionate stance - removing the 'no net loss' requirement on existing industrial land sites whilst ensuring Boroughs bring new industrial land into the supply.

The mix of housing: Such a significant reduction in the overall housing requirement makes the need for the provision of an appropriate dwelling mix across London more acute. I am concerned that your Plan will be to the detriment of family sized dwellings which are and will continue to be needed across London. This is not just in relation to their provision but also their loss, particularly where family sized dwellings are subdivided into flats or redeveloped entirely. I am therefore Directing you to ensure this is a consideration of London Boroughs when preparing policies and taking decisions in relation to dwelling mix.

Optimising density: It is important that development is brought forward to maximise site capacity, in the spirit of and to compliment the surrounding area, not to its detriment. Sites cannot be looked at in isolation and Londoners need to be given the confidence that high density developments will be directed to the most appropriate sites; maximising density within this framework. Examples of this are gentle density around high streets and town centres, and higher density in clusters which have already taken this approach. I am therefore Directing you to ensure that such developments are consented in areas that are able to accommodate them.

Aviation: As you are aware, the Court of Appeal recently handed down judgment in the judicial review claims relating to the Airports National Policy Statement. The government is carefully considering the complex judgment and so does not consider it appropriate to make any direction in relation to Policy T8 Aviation at the present time. This is without prejudice to my power to make a direction under section 337 at any time before publication of the spatial development strategy, including in relation to Policy T8 Aviation.

Next steps: I look forward to receiving a revised version of your Intention to Publish Plan, containing the modifications necessary to conform with these Directions, for approval in accordance with section 337(8) of the Greater London Authority Act 1999.

Future Housing Delivery in London

I would like you to commit to maximising delivery in London, including through taking proactive steps to surpass the housing requirement in your Plan. This must include:

- Supporting ambitious boroughs to go beyond your Plan targets to bring them closer to delivering housing demand;
- A programme of work, with my Department, to kick-start stalled strategic sites; including bringing forward later-stage strategic land from your Strategic Housing Land Availability Assessment. If you are unable to persuade me that you can deliver the most significant sites, such as Old Oak Common, I will consider all options for ensuring delivery;
- Collaborating with public agencies to identify new sources of housing supply, including developing a more active role for Homes England;
- Actively encouraging appropriate density, including optimising new capacity above and around stations; and,

- Producing and delivering a new strategy with authorities in the wider South East to offset unmet housing need in a joined-up way.

The priority must be delivering the housing that Londoners need. I think the above steps will move us closer towards this and hope that you will build on these. However, I must be clear that without reassurances that you will raise your housing ambitions for the capital, I am prepared to consider all options, including new legislation if necessary.

Finally, I want to see you set a new standard for transparency and accountability for delivery at the local level. To achieve this I want you to commit to work with my Department and to provide: the fullest account of how the housing market and planning system is performing in London, where there are blockages and what is needed to unblock these, and what tools or actions can be undertaken to further increase housing delivery.

To meet this I expect:

- Regular meetings between you and I, and my ministers, to be supplemented by regular meetings between our respective officials.
- Quarterly, systematic reporting of progress on housing delivery across all tenures, devolved programmes and your planning pipeline across London. This should reflect what we have in place to track Homes England's approach to reporting.

The position I have taken and requirements I have outlined, are focused on ensuring the homes that Londoners need are planned for and delivered. Housing in our capital is simply too important for the underachievement and drift displayed under your Mayoralty, and now in your Plan, to continue.

I look forward to your reply detailing these commitments and to receiving your modified London Plan.

A handwritten signature in black ink that reads "Robert Jenrick". The signature is written in a cursive style with a horizontal line underneath the name.

THE RT HON ROBERT JENRICK MP