



Department for Levelling Up, Housing & Communities

Rt Hon Michael Gove MP

*Secretary of State for Levelling up Housing &
Communities*

Minister for Intergovernmental Relations

2 Marsham Street

London

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Rt Hon Sadiq Khan
Mayor of London
City Hall
Kamal Churchie Way
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E16 1ZE

18 March 2024

Dear Sadiq,

FURTHER ACTION ON THE LONDON PLAN AND LONDON HOUSING

On 12 February, I wrote with a copy of the London Plan Review and set out changes the Government is consulting on making in national policy to unlock more Brownfield development. I am confident these reforms will help reverse the chronic under-delivery that has occurred during your time in office. They will not on their own be sufficient to provide the homes that London desperately needs. To tackle the housing delivery backlog and meet targets set within the London Plan, the average rate of delivery would need to increase from 37,200 to more than 62,300 homes a year. Your data also shows a steep reduction in the number of residential units being approved between 2018/19 and 2022/23

That is why, in my letter to you, I noted that Government would not hesitate to go further. I am now taking that next step using powers under Section 340 of the Greater London Authority Act 1999 to direct a review of the policies specified below in the London Plan that I fear are holding delivery back and require urgent action. I am directing that the review of the policies specified below should conclude by 30 September 2024. I expect any recommended changes to be rapidly advanced as alterations to the current London Plan. Specifically, I am directing a review of the following two areas of the London Plan:

1. **Industrial land:** You reported last year that there is an estimated 6,800 hectares of land in industrial use in London and 736 hectares of land in industrial and related uses in the planning pipeline that could potentially change to non-industrial use. Keeping our capital running of course requires the right industrial land in the right places, supporting and servicing residents and businesses across the city – and some of these activities need to take place within London. Stakeholders have, however, told us that your policies on designation are too inflexible, which in effect is discouraging developers from bringing forward other measures such as industrial intensification, co-location and substitution – all of which could enable additional residential development without compromising the capital's industrial needs. To illustrate, every 1% of SIL/LSIS land released for housing could have a capacity for 5,000 new homes for London if we assume 80% of each plot is developable with a density of 150 homes per hectare. I am therefore directing a review of whether policies E4 (land for industry,

logistics and services to support London's economic function), E5 (strategic industrial locations), E6 (locally significant industrial sites), and E7 (industrial intensification, co-location and substitution) remain fit for purpose, and are making the most efficient use of land in light of London's acute housing needs. This should include consideration of the opportunities to strengthen support for increased delivery of housing on industrial land, particularly in areas well-served by public transport.

- 2. Opportunity Areas:** You identified 47 Opportunity Areas in the London Plan, which you deemed as each having the potential to deliver at least 2,500 new homes or 5,000 new jobs, or a combination of the two. While there is clear merit in focusing effort on those areas with the greatest potential, too many have made almost no progress and others appear to have plateaued. This suggests that your Opportunity Areas policy [SD1] is not doing enough to unlock growth and regeneration, including by removing barriers or providing for additional flexibility in these areas. The 2017 Strategic Housing Land Availability Assessment (SHLAA) stated that there was the potential for over 460,000 homes to be built by 2041 in Opportunity Areas, but at the current annual rate of completions (13,275 in 2022/2023) this target will be missed – unless delivery is significantly ramped up in later years. I am therefore directing a review of how this policy can be amended to maximise the scale of ambition and accelerate housing delivery, particularly in areas such as Euston, which are well connected and hold the potential for thousands of homes. The review of SD1 should also consider whether the current list of Opportunity Areas is correctly and sufficiently targeted, how other policies in the plan that constrain capacity or delivery might be appropriately adjusted where they are applied in Opportunity Areas, and whether there is a role for a single planning framework to accelerate housing.

I would be grateful for an update with early findings by the end of June, including an assessment of the effect of these policies on housing delivery and an indication of potential updates and amendments to increase and accelerate housing delivery.

In addition to the above, I know that the GLA will be proceeding with the wider review of the London Plan in shorter time. In approaching this review, I would strongly encourage a focus on issues of strategic importance to London. You should consider refining the London Plan accordingly, reducing its complexity and the overlap with local plans.

My officials stand ready to support the GLA on the urgent review of industrial land and Opportunity Areas, as well as with the fuller review of the London Plan.

Further measures to accelerate housing delivery

As in February, I am determined that the Government also brings direct support to bear where it can make a difference. Last month that meant providing £4 million to establish the Euston Housing Delivery Group to explore maximum ambition and regeneration at Euston.

Today, I can confirm that following discussions with Greenwich and Newham, I am prioritising these boroughs for assistance from my department's new planning Super Squad. This team, which will comprise leading planners and specialists whose talents will be used to unblock major developments, will provide Greenwich and Newham with £500,000 worth of specialist support in 2024/25, helping to unlock over 7,000 homes.

Recognising that more needs to be done to enable boroughs across the capital to overcome specific issues that are holding back delivery, I have also asked the Super Squad to focus some of its early efforts on working strategically across London on complex blocked sites and strategic issues.

Role of the Greater London Authority

There are, of course, elections taking place in May. Following those elections, I would be grateful if GLA officials could facilitate an early meeting with the newly elected Mayor to discuss the review of the London Plan as well as housing delivery in London more broadly and the role of the GLA in supporting borough delivery.

With every good wish,

A handwritten signature in black ink that reads "Michael Gove". The signature is written in a cursive, slightly slanted style.

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