

GLA - PLANNING FOR LONDON: Components of a Spatial Strategy

JUST SPACE RESPONSE 31/12/23

Just Space is a Londonwide network of community groups focused on planning issues. The response below is drawn from a variety of comments made, and is not exhaustive or definitive. A more comprehensive set of proposals is set out in our [Community-Led Plan](#) and [Recovery Plan](#)

ADDITIONAL COMMENT

Successive London Plans and successive rounds of public investment have combined to make London and its wider region an amazing concentration of asset value appreciation. Owner occupiers and landlords have found themselves immeasurably richer over recent decades. New public investments further enrich them. (When at TfL, Michèle Dix said that Crossrail 2 would cost £30bn to build but would add £60bn to the value of the housing stock.)

The inflated residential land values have led to irresistible pressure on the owners of industrial land, other shop and workplace premises and almost every other land use to switch to speculative residential development if they can get permission - or if PDR* can circumvent planning. It has also encouraged local authorities and other public service providers like the NHS to think of their premises no longer as the basis for delivering local services but as potential financial assets, and has enabled national governments to squeeze their operating budgets in the knowledge that most will respond by selling off these 'assets'. This in turn makes it very hard for the Mayor of London to implement policies that require all public land to be used for social housing: the fire service, the NHS and even the military are desperate to maximise receipts.

Central London has a special place in this spatial structure. Our incredible concentration of cultural, government, ceremonial, academic, scientific and business power is very distinctive, even among capital cities, and the growth of these activities is in a way a great success story. But it has sucked in qualified workers from the rest of the country and abroad and secured massive state investment over the years in supporting infrastructure to maintain its position and enable lengthening commutes for those essential workers who can't afford London's exorbitant housing. This process is buttressed by the conventional economics notion of agglomeration economies for employers. But the costs ("diseconomies") of agglomeration are largely borne by lower income citizens (astronomical rents, overcrowded and slummy homes, low residual incomes, long commutes). For the great estates, institutional and other investors who own land and property in central London and Canary Wharf it has been a long history of golden eggs at our expense.

But enough is enough and London should now be planning to stabilise the Central Activity Zone. This will fit in well with national policy if we get a government serious about 'levelling up'.

And this has to be done, because the current system based on ever-increasing land values doesn't work: it doesn't serve Londoners. Developers and others active in the land markets anticipate what they will be able to build and bid accordingly, pushing up land prices in such a way that they often then can't 'afford' to meet all the policy demands made on them - for local infrastructure, social housing and so on. As we keep seeing - most dramatically at Old

Oak Common - it no longer stacks up so building heights and densities creep up as planners try to square the circles but still the provision of social housing gets squeezed out.

What is the escape? Many of the changes needed to discourage households from treating housing as a wealth generator would depend on central government: changes to the tax treatment of housing inheritance and capital gains, the development of alternative savings media and so on. But there is much that the London Plan could do to damp down developer expectations and thus put land prices on a downward trajectory: reintroduce numerical upper limits on density and enforce them, set strict limits on building heights (for which there are now compelling environmental grounds too) and generally work to end developer expectations that planning requirements can be negotiated away. And so long as we are stuck with S106 cross-subsidy as the main means of paying for social housing, then social housing requirements must be non-negotiable too.