

TOWARDS A NEW LONDON PLAN: OVERALL STRATEGY

Generally JS doesn't have an overall strategy, we bring together communities of resistance to their exclusion from planning, their neighbourhood and local economy. But we did make some strategic points in the Manifesto, about stabilising growth, replacing council tax, introduce land value taxation, change property value tax, damp down speculation and levels of profit, enable long-term secure tenancies, and use public land for 100% public housing... And there is a purported new strategy of the new govt – although there is a widespread view that it is more of the same speculative housebuilding model with rocket boosters.

Are the **Mayor's objectives** reasonable in the TLP: to “solve the housing crisis, and deliver sustainable economic growth”? No, inadequate: should include reducing poverty and inequality, tackling climate change.

Over the past 25 years, 3 successive LPs have failed in that they have exacerbated unaffordability for the bottom half of the population in particular by pumping up land values, house prices and the wealth of asset-owning middle and high income people at the expense of those lower down the income and wealth scale, including enabling a rapidly expanding PRS to push up rents without impunity. And the rippling out impact of this – on schools, education and children, for example – is worsening.

The current approach of just focusing on numbers, increasing density and flexibility is just, more of the same. It doesn't work. We've got all the evidence that it doesn't work and impacts disproportionately on the poor.

Planning can't solve the housing affordability crisis alone: it's not a housing supply issue, it's a rent regulation issue and a funding issue (public funding for social housing required) and a taxation issue. The strategic context in the JS Manifesto had things like introduce land value, taxation and change the property value tax these. These are beyond planning, but they're clearly mayoral things that should be overall objectives.

The **developer narrative** is that we can't change the funding coming into London, the govt agenda of housing targets and the NPPF changes, so we can't change the speculative housing cross-subsidy model through LP reform, and indeed the govt and the TLP propose that we are not going to have policies which makes things more onerous or difficult for developers to deliver housing. But we can **address the fiction** that costs are high. That land costs are high is because we let them get away with it. They should be required to do

something that would reduce land values. In reality there would have to be a moment where building stopped, where developers say, “we can't afford to build; we have to sell the land”. And no politician wants to look at that moment, because it looks like a crisis. But the housing Ombudsman recently talked about a **simmering discontent**, with complaints rising 500% - and this is leading to a loss of confidence in any and all govt being able to solve things rather than just manage markets. There is a continuum of experience - from the lies developer PR companies call consultation to the failure of big govt – which is eroding our civic society.

The LP should be promoting policies which **bring speculative land values** down, like rent regulation, density control, tall building policy – and, firstly, the use of land for a huge programme of social housing.

We need to insist on removing or tightening **viability**. The GLA have gone backwards on viability: their draft LPG on viability has fallen by the wayside and followed by a so-called ‘Practice Note’ last December, with no consultation, which is more lenient about viability. The legality of that needs to be tested. Councils are hopeless at assessing viability – the assessment are full of unjustified assumptions and outdated figures – but they always will be because they don't have the resources of developers.

The founding premise of viability is that some development is better than nothing – that this housing with 5% affordable is better than no housing at all. But is it? We need to go back to the question who are we building for? What are the housing *needs* – not the financial demand for housing, but the need to be housed? There is no need for market housing – we've overshot our targets for 20 years, but undershot our social housing target. And there's still a profit for developers building social housing, but at around 5% it is much lower than the 20% they insist for market housing.

We don't need to build any more market housing, but we do need to build social housing – and this is based on a very robust needs assessment. Developers and landowners can propose market housing, and if they meet the standards and tests and provide the requisite social housing, then they can have permission, but the only social good which trumps is the social housing. The entire viability argument would then die.

We also need to maximize the stock by ending RTB and estate demolitions, and acquiring existing stock to use as social housing. We also need to think about the use of CPO, and

threat of CPO could be factored in to impact on land values. What other models of creating social housing can we draw on from around the world?

But what is the strategy towards the Mayor's two-facing approach in TLP, where he accepts targets, but conditional on govt funding for transport and social housing – which is now clearly not forthcoming? How much do we support him in his leverage? Transport infrastructure is a poisoned chalice of increasing land values and Opportunity Areas and everything which has exacerbated inequalities. But a huge slug of money for social housing would be extremely welcome. But the targets are unachievable, and won't alleviate rising rents and house prices. The Mayor clearly supports with the speculative housebuilding model. If he wants London to continue its roles as a financial centre and visitor destination then we need housing for people to service and run our general economy, which means building social housing.

Should he be looking at **institutional investment in social housing** projects because they actually make sense in the long run, and patient capital is quite willing to wait for 2030 years before it gets return on its money, because it might have a social purpose on top of that rather than just the proper motive. That would be far more politically attractive than asking for a bucket of govt money and asking you to trust the GLA and councils to build this housing. We need an objective framework with measures that can be monitored and reported against in order to show that we are making the progress that we're promising.

We also need to think about the **economy**, particularly given **the aging demographic** of Londoners. This is where a framework for measuring social value is key, rather than growth measured by producing money or profit for a certain small proportion of individuals. It's about the society.

We lost an estimated 25% of our **industrial land** between 2000 and 2015 to housing, largely through the Opportunity Areas, but when JS and others pointed this out the GLA applied the brakes. Now TLP is proposing letting go the brakes again. The economy is also about the local, **town centres and high streets**, and the value they bring to communities, even if the traditional economic measures like GDV under-estimate them, e.g. at the E&C.

Co-operatives, community-led projects and mutual aid are another part of the economy which could help address the housing crisis: a dynamic and inclusive way for local communities to serve need. There needs to be a focus on believing in the future of Londoners rather than continually seeking to attract money from elsewhere. Councils are rejecting feasible viable socially valuable projects out of a culture of rejection born out of their dire financial situation. A community project can be a very well-managed,

structured, opening out of possibility and an evaluative process by which sustainable concepts or propositions can be aired, voted upon, and then delivered. We need to transform the nature of that evaluation of community propositions to make those a more kind of robust, well understood process of coming up with something in a validated way.

The **Green Belt** is a red herring. The problem with any Green Belt review is that removing this constraint opens up a Pandora's Box of false choices, such as relocating industrial onto the Green Belt, rather than facing hard choices. In the medium to long run (i.e. with a different kind of national government) we would hope to see serious attention to regional inequalities, especially the balance between incomes and wealth in London and the South East and in other UK regions. As part of national deliberations and actions there would almost certainly need to be reductions in the relative growth of the SE - in population and economic activity. The current pressures to develop housing on parts of the Metropolitan Green Belt would thus most likely go away. The pressure from development interests would be off. Food production and public access issues could then be the main considerations in land use policy around the metropolis.

However, in the short run, with the present government and its groundless obsession with build-build-build as the solution to affordability problems such an approach is not on the cards. Part of our job in challenging the build-build-build should be to emphasise

1. The real affordability problem is the shrinkage of social-rent housing stocks in recent decades while growing inequality has increased the need for more
2. Relaxation of green belt rules would be likely to produce car-dependent 'executive homes' if left to private developers.
3. Even if the relaxation were focused around railway stations, most non-work journeys would tend to be made by car.
4. If, despite all this, there is any relaxation then the criteria for the review must include consideration of food security, health and emissions factors

There is also an issue of the relationship between London and the **surrounding metropolitan area and the wider SE** area, and the need for regional govt and a rebalancing with the rest of the country, including New Towns. People in Sutton are as invested in Surrey as they are in central London.

The other strategic issue of building a campaign and building a movement? To be considered at the Conference.