

London Chamber of Commerce and Industry's response to Department for Levelling Up, Housing and Communities' consultation on strengthening planning policy for brownfield development

Introduction

1. London Chamber of Commerce and Industry (LCCI) is the capital's largest independent business advocacy organisation. We represent the interests of firms of all sizes, from micro-businesses and sole traders through to large, multi-national corporates, across all 33 London local authority areas – genuinely reflecting the broad spectrum of London business opinion.
2. As the voice of London business, we seek to promote and enhance the interests of the capital's business community through representations to central government, the Mayor and London Assembly, Parliament and media, as well as international audiences. Through business surveys and commissioned research, LCCI seeks to inform and shape debate on key business issues.
3. LCCI is always focussed on reflecting the views of its members and those of the wider business community in London. The availability of housing is of key concern to London businesses, as is documented in the response below. However, London companies also repeatedly express concerns over the pressures on land in the capital more broadly, particularly industrial land. Businesses recognise that without appropriate levels of housing, London will not be an attractive place to live and work in. At the same time, London's economy relies on its businesses having access to adequate industrial land. Finding the balance between these two critical pressures on land in London should be the priority of both local and national government, ensuring that London maintains its status as a global city.

Q1. Do you agree we should change national planning policy to make clear local planning authorities should give significant weight to the benefits of delivering as many homes as possible? If not, why not?

4. LCCI fully recognises the need for housing in London. Without housing that allows people to live in the capital in a sustainable way, London's economy will falter and the UK's engine of growth would stutter. It is therefore essential that the Mayor of London and local councils – with the support of central government – take every possible step to delivering a high number of homes.
5. London's business community have shared this view in previous LCCI research, with 'building more homes' cited by three in ten (29%) of London business leaders as a priority for the next UK government.¹ Half of the capital's companies reported the cost of housing in London as a having a negative impact on their ability to recruit and retain workers.² Close to three fifths (58%) of London businesses said that making the capital an affordable place to live should be one of the next Mayor of London's top three priorities.³
6. With this support in mind, LCCI is minded to agree that local planning authorities should be giving weight to the benefits of delivering as many homes as possible. However, LCCI is also

¹ London Business 1000 2023. YouGov surveyed 1,271 London businesses online between 28 September and 30 October 2023.

² London Business 1000 2023

³ Savanta interviewed 519 London businesses online between 1 August and 1 September 2023.

firmly of the belief that this cannot be to the detriment of the tight availability of industrial land in the capital. LCCI's members have repeatedly stressed concerns over the levels of available industrial land in London, and in its response to a recent consultation conducted by the Greater London Authority, those members highlighted the potential impacts of measures such as industrial intensification and co-location.⁴

Q2. Do you agree we should change national planning policy to make clear local planning authorities should take a flexible approach in applying planning policies or guidance relating to the internal layout of development? If not, why not?

7. LCCI would support this change, on the basis that national policy would continue to expect that new development would provide acceptable living standards.

Q3. If we were to make the change set out in question 2, do you agree this change should only apply to local policies or guidance concerned with the internal layout of developments? If not, what else should we consider?

8. On this issue, LCCI would disagree. Improved and robust national guidance is needed. The introduction of National Development Management Policies would be helpful in ensuring a more robust, simplified and consistent planning regime.

Q4. In addition to the challenges outlined in paragraph 13, are there any other planning barriers in relation to developing on brownfield land?

9. As well as heritage and infrastructure capacity constraints, there is a need to ensure that good quality brownfield land is available for business uses as well as housing. LPAs must do more to plan proactively for employment land. Alongside the current focus on housing delivery, firms in many areas are struggling to find the land and premises they need to invest, improve productivity, achieve their Net Zero goals and grow. More priority must be given to business needs in the development management and plan-making process.
10. Delivery of efficient and effective infrastructure is needed to support the movement of people, goods and services, to ensure the availability of adequate water and energy supplies, and to minimise damage and destruction resulting from flooding.
11. LPAs need access to relevant expertise to understand how business now operates in a global economic environment, such as the way they consult on heritage and other aspects. The Chamber Network is able to facilitate this.

⁴ LCCI's response to the Greater London Authority's consultation on industrial land and uses, February 2024, <https://www.londonchamber.co.uk/SiteFiles/Handlers/DownloadReport.ashx?nodeid=29669>

Q5. How else could national planning policy better support development on brownfield land, and ensure that it is well served by public transport, is resilient to climate impacts, and creates healthy, liveable and sustainable communities?

12. LCCI strongly supports making the best use of brownfield sites to increase the number of homes available in London, both outside and inside the currently defined Metropolitan Green Belt.

Outside the Metropolitan Green Belt

13. There is a need for more high quality, well designed, and affordable homes, in places where people want to live and work, and this must be supported by modern, integrated transport systems. This will help people access jobs and progress within the workforce, as well as ensuring firms can access the vital skills they need.
14. However, LPAs must do more to plan proactively for employment land. Alongside the current focus on housing delivery, firms in many areas are struggling to find the land and premises they need to improve productivity, achieve their Net Zero goals and grow. More priority must be given to business' needs in the development management and plan-making process.

In the Metropolitan Green Belt

15. In its landmark report *Brown for Blue*⁵, LCCI commissioned analysis of the Green Belt to locate 'brownspace' land within the area. 'Brownspace' was defined as:
- a. vacant, unused or derelict sites
 - b. land with a poor quality use, including scrap and car breakers' yards, quarries, gravel and sand pits, storage yards (including builders yards, car parking and other run-down sites with sheds or workshops), nearly full landfill sites and lorry and transport yards.
16. The findings from 2017 identified 72 'brownspace' sites – equivalent to 329 hectares – within the Green Belt, which could be used for housebuilding. Many of the sites were small, making them arguable ideal for small developers to focus on. This review was not complete: indeed, the report stated that further detailed analysis of these sites is needed to understand infrastructure access and other issues. Nevertheless, the process showed that there is potentially a significant amount of space within the Green Belt that can and should be utilised for housebuilding.
17. LCCI recommends that the Mayor of London and the government undertake an updated review with detailed analysis of brownspace sites in London, as another tool for increasing housebuilding.

Q6. How could national planning policy better support brownfield development on small sites?

18. LPAs must do more to plan proactively for employment land. Alongside the current focus on housing delivery, firms in many areas are struggling to find the land and premises they need to

⁵ LCCI, *Brown for blue: Land to house London's emergency workers*, December 2017, <https://www.londonchamber.co.uk/LCCI/media/media/PDFs/Brown-for-Blue-Land-to-house-London-s-emergency-workers-FINAL.pdf>

improve productivity, achieve their Net Zero goals and grow. More priority must be given to business' needs in the development management and plan-making process.

Q7. Do you agree we should make a change to the Housing Delivery Test threshold for the application of the Presumption in Favour of Sustainable Development on previously developed land?

19. LCCI is minded to agree with this change, but would want to ensure considerations are given to the demand and supply of industrial land in local planning authorities' (LPAs) areas. If the previously developed land that has been identified for the presumption to be applied to has been used for industrial purposes, LPAs should also be required to ensure that there is still sufficient industrial land available in their areas. A process whereby all previously developed land can be used solely for housebuilding, particularly given the focus on urban areas where industrial land is at a premium – this is the case in London.
20. In addition, existing businesses on previously developed land must not be evicted from these sites to support housebuilding. The presumption should only apply to areas where there are no current business tenants, and after due consideration of the demand for industrial land in that local planning area.

Q8. Do you agree the threshold should be set at 95%? Please explain your answer.

21. LCCI would agree that the threshold should be set at 95%.

Q9. Do you agree the change to the Housing Delivery Test threshold should apply to authorities subject to the urban uplift only? If not, where do you think the change should apply?

22. LCCI understands that this proposal would affect all planning authorities in London.

Q10. Do you agree this should only apply to previously developed land within those authorities subject to the urban uplift?

23. It is unclear what the question is looking to address. LCCI members sought further clarity on whether the amended HDT threshold would only apply to previously developed land, or only to authorities subject to the urban uplift.

Q11. Do you agree with the proposal to keep the existing consequences of the Housing Delivery Test the same? If not, why not?

24. The view from LCCI would be dependent on the issue in Q9 being addressed.

Q12. For the purposes of Housing Delivery Test, the cities and urban centres uplift within the standard method will only apply from the 2022/23 monitoring year (from the 2023 Housing Delivery Test measurement). We therefore propose to make a change to the policy to align with the publication of the Housing Delivery Test 2023 results. Do you agree? If not, why not?

25. LCCI has no view on this issue.

Q13. Do you think the current threshold of 150 residential units for referral of a planning application of potential strategic importance to the Mayor of London is the right level?

26. LCCI's members did not express a view on this issue, though it was noted that a higher threshold might speed up decision-making.

Q14. If no, what would you set as the new threshold? Please explain your answer.

27. LCCI's members did not express a precise level for the new threshold. There were suggestions that if the previous level of 500 worked in the past, then perhaps this would be a good level to adjust the threshold to.

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