

London Chamber of Commerce and Industry's response to the 'Levelling-up and Regeneration Bill: reforms to national planning policy' consultation

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 engages with businesses in a variety of ways, including through membership committees that bring together industry experts to discuss how best to support London companies in key interest areas. In January 2023, the City of London Chamber was launched, and is committed to understanding the key issues impacting businesses in the City of London and campaigning for action. As part of its response to this consultation, LCCI has spoken with member businesses of its committees, and of the City of London Chamber, to accurately reflect their views. LCCI's response focusses on the key questions as raised by member businesses.

Chapter 3 – Providing certainty through local and neighbourhood plans

1. Q1 – Do you agree that local planning authorities should not have to continually demonstrate a deliverable 5-year housing land supply (5YHLS) as long as the housing requirement set out in its strategic policies is less than 5 years old?
 - a. It is LCCI's view that local planning authorities **should continue** to be required to demonstrate a deliverable 5-year housing land supply (5YHLS). The chief reason for maintaining the 5YHLS is that if it is removed, the result will be a reduction in the number of homes built below levels that have already been deemed necessary.
2. Q2 – Do you agree that buffers should not be required as part of 5YHLS calculations (this includes the 20% buffer as applied by the Housing Delivery Test)?
 - a. Similarly, buffers should continue to be required as part of 5YHLS calculations, as they compensate for non-implementation of permissions.

Chapter 3 – Planning for housing

3. Q9 – Do you agree that national policy should make clear that Green Belt does not need to be reviewed or altered when making plans, that building at densities significantly out of character with an existing area may be considered in assessing whether housing need can be met, and that past over-supply may be taken into account?
 - a. As regards the Green Belt, LCCI feels that there is significant reason for reviewing the area to ensure that all of the land within is appropriate for protections. LCCI published a report in

2017¹, in which we worked with FIND to map 'brownspace' in the London Metropolitan Green Belt area. The results from FIND showed that 329 hectares of brownspace in the Green Belt could be used for housing development, with 228 hectares of this land either vacant / disused land, or poor quality land.

- b. This study is now around six years old, and LCCI would urge the Government and local authorities to revisit the issue of brownspace within the Green Belt.
4. Q13 – Do you agree that we should make a change to the Framework on the application of the urban uplift?
 - c. In its current form, the application of the urban uplift is too crude and LCCI would support changes to address this issue.
 5. Q14 – What, if any, additional policy or guidance could the department provide which could help support authorities plan for more homes in urban areas where the uplift applies?
 - d. As previously mentioned, it is LCCI's determination that the application of the urban uplift is too crude in its current form. Possible additional guidance that could be given to local authorities include allowing urban extensions where it is clear that brownfield sites cannot provide sufficient capacity. The current list of towns and cities (20) could be expanded in size as well.
 6. Q16 and Q17 – Do you agree with the proposed 4-year rolling land supply requirement for emerging plans, where work is needed to revise the plan to take account of revised national policy on addressing constraints and reflecting any past over-supply? If no, what approach should be taken, if any? Do you consider that the additional guidance on constraints should apply to plans continuing to be prepared under the transitional arrangements set out in the existing Framework paragraph 220?
 - e. LCCI member businesses expressed a disagreement with the proposed four-year rolling land supply requirement, with the main concern that it will weaken the approach to meeting housing need in the UK.

Chapter 5 – A planning system for communities

7. Q29 – Is there anything else national planning policy could do to support community-led developments?
 - a. Community-led developments often rely on smaller contractors to undertake works, given their more localised elements. LCCI members found that the current system does not enable smaller developers to get involved in projects within their communities. However, smaller contractors find it difficult to acquire appropriate insurance cover, despite the ability of many to offer a better value and more sustainable approach to projects. One of the chief ways that community-led developments could be supported is through an insurance and risk vehicle that supports small and sustainable bids and developers in the supply chain.
 - b. With this in mind, LCCI members suggested greater use of alternative insurance solutions such as owner-controlled insurance programmes (OCIPs). Under OCIPs, multiple stakeholders and risks are managed in a stand-alone programme protecting all parties and ensuring that there is no large-end exposure for a main contractor.

¹ Brown for blue: land to house London's emergency workers, LCCI, December 2017

8. Q32 – Do you agree that the 3 build out policy measures that we propose to introduce through policy will help incentivise developers to build out more quickly? Do you have any comments on the design of these policy measures?
- a. In principle, LCCI is willing to agree that the three build-out policy measures will help to incentivise developers. However, they are designed to address issues perceived to arise in relation to housebuilding and need to be framed accordingly. It is LCCI's view that the policies would not be appropriate in other areas, such as relation to employment development.

Chapter 11 – Enabling Levelling Up

9. Q53 and Q54 – What, if any, planning policies do you think could be included in a new framework to help achieve the 12 levelling up missions in the Levelling Up White Paper? How do you think that the framework could better support development that will drive economic growth and productivity in every part of the country, in support of the Levelling Up agenda?
- a. One of the biggest issues that is raised by members to LCCI is that the relationship between housing development, economic development, and infrastructure provision is unbalanced, with too much emphasis placed on housing development without proper considerations for businesses, particularly in the logistics sector.
 - b. In the most recent update to the London Plan, LCCI worked with the Mayor of London to ensure that provisions related to no net loss of industrial land were included, in order to safeguard vital sites for businesses in London. However, these provisions were then removed by the then Secretary of State.
 - c. It is therefore vital that the NPPF ensures there is a balance between the needs of housing, the economy, and infrastructure, to support the missions of levelling up. If businesses are to locate themselves in a new area, sufficient and robust infrastructure will be a key consideration. The NPPF should require planners to consider the needs of businesses in designing local plans, and ensure that new housing developments do not negatively impact the availability of employment land. Far from attracting businesses to an area, without protections for employment land the aims of levelling up will not be met.
 - d. It will also be crucial that individual local authorities work together to consider the spatial perspectives.
 - e. LCCI and City of London Chamber members have also proposed that Section 6 (Building a strong competitive economy) of the NPPF be amended to require local authorities to work collaboratively with business and across relevant local and sub regional geographies, to identify the needs for new commercial floorspace and then make provision for such needs within Local Plans.
 - f. A requirement to understand, evidence and proactively plan for economic development is nationally important but can be particularly significant in areas such as the City of London, which needs to continue to excel as a globally competitive economic powerhouse, while also needing to diversify to accommodate more residential, mixed commercial, cultural and creative uses.

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