

# Central London Forward: Response to the ‘Supporting housing delivery and public service infrastructure’ consultation

## Who we are

Central London Forward (CLF) is the strategic sub-regional partnership for central London, covering the local authorities of Camden, the City of London, Hackney, Haringey, Islington, Kensington and Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets, Wandsworth and Westminster.

Central London is a critical part of the national economy. The 12 local authorities host around one in 10 of the country’s jobs, and central London’s net contribution to the UK’s tax base helps pay for vital public services across the country. But inequality is pervasive and there are 2.3 million people living in poverty in the capital. Central London remains one of the areas of the country most economically impacted by COVID-19.

Our goal is to improve the lives of residents by working together to drive inclusive growth within central London to ensure they can access the skills, jobs, homes and support required to benefit from our dynamic economy. We do this through our policy research, lobbying activities and employment programmes - including the devolved Work and Health Programme. CLF have been engaging with the government’s planning reform agenda, having responded to the consultation on the [Planning for the Future](#) White Paper in October 2020.

This response focuses on Part 1 of the ‘*Supporting housing delivery and public service infrastructure*’ consultation proposals for which central London has a clear collective strategic voice. As such, we have focused on a limited number of key questions as well as highlighting our overarching concerns in the Executive Summary. More technically detailed responses have been submitted by our individual member boroughs.

## Summary

CLF welcomes the government's commitment to reshaping the planning system to make it more accessible and efficient. We also welcome the government's ambition to support the economic future of our high streets and town centres. The introduction of the Commercial, Business and Service use class (Use Class E) allows greater flexibility for businesses wanting to occupy vacant or unviable units, in turn potentially increasing the appeal and attractiveness of town centres and high streets for visitors and fellow businesses.

However, the introduction of a permitted development right (PDR) to change use from Class E (Commercial, Business and Service) to C3 (residential) without requiring a formal planning application, presents new and additional challenges to high streets, businesses and local authorities that are already facing increasing pressures to create space for communities to shop, visit, play, live and work. While CLF recognises a role for greater ease and flexibility in creating residential units in spaces that may be otherwise un- or under-occupied, this should not come at any cost.

The proposed change presents challenges to our local authorities as it prevents the application of some policies in existing Local Plans, Neighbourhood Plans and the London Plan, and indeed the National Planning Policy Framework. In particular, policies relating to the mix of uses in town centres and retail frontages and the protection of some industrial and community uses.

CLF recognises that the role and make-up of our high streets and town centres has been changing for many years, with a structural shift in consumer habits as well as increasing online expenditure. The impact of COVID-19 has accelerated these trends, with rising high-street shop vacancies and unemployment, particularly young people in retail. Local authorities are best placed to aid recovery and manage growth as they are the stalwarts of our high streets and town centres, acting in the best interest of all our communities.

Central London authorities are leading the way with urban renewal strategies and high street regeneration programmes in recognition of those changing and exacerbated patterns and the needs of visitors to our high streets and town centres. Active partnership between central and local government to support the role of boroughs as place-makers should be at the heart of any changes to planning policy.

In our response to the [Planning for the Future White Paper](#) we highlighted our concerns that the proposals raised could represent a significant and flawed centralisation of the planning system. We echo these concerns as the proposed extension of PDRs diminishes the strategic place-making role of boroughs. The current proposals also represent a further deregulation of the planning system and reduces the role of boroughs and planners to a regulatory function.

CLF recommends:

- That the **government reconsider the introduction of a PDR for Class E uses.**
- That **Central London's authorities and their stakeholders remain best placed to carefully manage the future of their town centres and high streets in our areas.**
- More **flexible planning controls for long-term and genuine vacant, surplus or inappropriate sites** for Class E use.

Should the PDR be introduced, CLF recommends:

- That the **Government must set out clear intentions and proposals regarding Article 4 Directions and where they may apply.**
- A **maximum scheme size would need to be implemented** in order to prevent large swathes of commercial buildings being lost in central London.
- That the **prior approval process is extended as it does not go far enough** to ensure homes are built to high environmental and sustainability qualities.

## Principle of the proposed PDR

In our response to the [Planning for the Future White Paper](#), we demonstrated how central London's planning authorities are already taking significant steps to meet and exceed the challenging housing targets set out in the 'Intend to Publish' London Plan. The 2018/19 pipeline of permitted homes in London is 305,289 - the highest ever recorded. 69,300 homes were granted permission in London in the year to September 2019, higher than the London target in the Intend to Publish London Plan.

Our member local authorities seek to balance the requirement for homes with the multitude of other uses that central London is known for globally, including unrivalled shopping experiences, cultural and historic attractions and clusters of workplaces and institutions. The presence of these Class E uses is fundamental to the economy and character of the capital. Central London's role in the UK's economic recovery from the COVID-19 pandemic must not be hindered by the loss of functional Class E floorspace and potential resulting unemployment. Careful management is required.

We would stress that we are supportive of more flexible planning restrictions for long-term vacant and inappropriate sites for Class E use in our town centres and high streets, but this should be carefully managed by local authorities in order to ensure this is done in a way which works for our residents and our businesses. The recent collapse of many large department stores has left large vacant and unviable plots which cannot be re-let without significant cost to the owners or potential occupiers. Plus, the shift to more remote-working may mean that some business-space is no longer required in the volumes it is currently provided in. We are ready to facilitate a managed shift in our high streets and town centres towards a more diverse offer.

However, we feel strongly that the introduction of this PDR may allow an inappropriately high and/or poorly planned number of use-changes, especially in light of the COVID-19 pandemic which has accelerated vacancies. Re-letting has slowed if not stagnated owing to social distancing and 'stay-at-home' orders. The potential also exists that many viable and thriving businesses may be 'forced out' of suitable premises to make way for residential uses owing to impacts on real estate values - as was the case with at least 322 fully occupied offices between May 2013 and April 2015 in London via the office-to-residential PDR ([London Councils, 2015](#)).

We would also highlight our concern that the conversion to residential is also the 'end of the line' in terms of flexibility for spaces. Use Class E presents an opportunity to convert premises from a restaurant, to a shop, to a gym, and back to a restaurant. But the conversion to a residential unit is a far more permanent change that has a fundamental impact on the character and make-up of the street or location that may in turn impact other businesses as the appeal of visiting declines.

## Quality of Homes

CLF welcomes the introduction of compliance to national space standards for residential units created through PDR, and the requirement that all habitable rooms should have natural light and ventilation. It is right that, regardless of how dwellings have come to be provided, they should be suitable, habitable and achievable of creating a safe dwelling for the inhabitants. We should be striving always towards high standards for our homes.

Not all Use Class E businesses are found on high streets and town centres, and consideration should be given to the location and sustainability of new homes being created in areas with potentially insufficient social infrastructure or transportation links – this is perhaps more pertinent as the prior approval process does not currently allow for the collection of the Community Infrastructure Levy (CIL) or Section 106 contributions to be sought by local authorities, which play a role in negating such impacts.

It is welcome that the prior approval process will consider the impact of the introduction of residential use to an area that may typically host industrial uses, as this could cause highly contentious spaces and impact existing operating businesses.

## **Deregulation and Centralisation**

In our response to the Planning for the Future White Paper, we highlighted our concerns that the proposals raised could represent a significant and flawed centralisation of the planning system. We echo these concerns as the proposed extension of PDRs further diminishes the strategic place-making role of boroughs. The current proposals also represent a further deregulation of the planning system and reducing the role of boroughs and planners to a regulatory function.

Our member boroughs are leading the way with high street renewal, particularly in light of COVID-19, and utilising their role as place-makers and champions of inclusive growth. This PDR risks running roughshod over plans with significant community engagement at their core with input from stakeholders far wider than just the owner of the unit or building where a Class E business operates.

For example, the London Borough of Southwark has been working with local residents, businesses and community groups to overcome the decline of their high streets in Walworth with a strategy that incorporates community projects, greening, festivals, and a branding for the area to increase footfall for existing businesses and to attract new. Much of this strategy was planned with residential development as not only an enabler but as having a key role in the future of our high streets.

## **Part 1: Supporting housing delivery through a new national permitted development right for the change of use from the Commercial, Business and Service use class to residential**

**Q1 Do you agree that there should be no size limit on the buildings that could benefit from the new permitted development right to change use from Commercial, Business and Service (Class E) to residential (C3)?**

**Please give your reasons.**

No. Given the nature of central London as a hub for culture, education, commerce, retail and business many buildings of various sizes containing a mix of businesses will be classed entirely as Use Class E. With individual building owners and landlords potentially removing functional floorspace from central London, the impact could be felt on many businesses that require such floorspace to operate and the communities that use them or are employed there.

CLF would argue that there should be a maximum size limit to a conversion which once surpassed would no longer be suitable through prior approval and would need to be determined through the standard planning application process.

CLF considers that it would result in a win-win situation if genuinely surplus vacant commercial, retail and / or business space is converted to provide the much-needed housing required in central London. But we would stress the importance of ensuring that the space is indeed surplus and unoccupied to avoid the unintended consequences of too many of the office-to-residential PDR that was documented by the Royal Institution of Chartered Surveyors ([RICS, 2018](#)). Local authorities are best places to judge whether Class E space is indeed surplus.

Whilst it is welcome that PDRs will not apply to those developments that would require an environmental impact assessment, it is not considered that many of these conversion schemes would require such an assessment in any case given the nature of central London.

**Q2.1 Do you agree that the right should not apply in areas of outstanding natural beauty, the Broads, National Parks, areas specified by the Secretary of State for the purposes of section 41(3) of the Wildlife and Countryside Act 1981, and World Heritage Sites?**

**Please give your reasons.**

N/A

**Q2.2 Do you agree that the right should apply in conservation areas?**

**Please give your reasons.**

CLF do not support the proposed PDR applying in conservation areas. Conservation areas are particularly sensitive locations and development within them needs to be carefully considered. A diversity of uses is something which is supported but we believe this measure would be counter to this. There would be a high risk that over time areas would lose their livelihood and character and become solely residential.

There is a statutory duty under the Planning (Listed Buildings and Conservation Areas) Act 1990 to pay special attention to the desirability of preserving or enhancing the character or appearance of conservation areas in exercising planning functions. We consider that this

requires the impact of development to be assessed through a planning application rather than a prior approval process / permitted development.

**Q2.3 Do you agree that, in conservation areas only, the right should allow for prior approval of the impact of the loss of ground floor use to residential?**

**Please give your reasons.**

Changes to ground floor premises have the greatest potential to cause harm to the character or appearance of conservation areas, and ideally should remain subject to planning permission. The changes required to accommodate these residential uses are likely to over time erode the character and appearance of conservation areas. There would likely be insufficient provision of defensible spaces in front of properties, the need of privacy would lead to elevations being altered in a way which would compromise these active frontages and undermine passive surveillance.

This would not only be counter to protecting the character and appearance of the area but also to urban design best practice. These units would likely provide substandard residential accommodation and would compromise the character and livelihood of neighbourhoods and town centres. To ensure that the proposed PDR does not undermine the statutory duty under the Planning (Listed Buildings and Conservation Areas) Act 1990, we consider that if it does apply in conservation areas it should only apply to upper floors and not the ground floor.

CLF would also stress that the right should allow for the prior approval to assess the impact of the loss of ground floor use to residential everywhere that it will apply and not just in conservation areas – this will allow for an assessment of the impact of the loss of the use and the introduction of a non-active frontage on town centres, high streets and industrial areas.

**Q3.1 Do you agree that in managing the impact of the proposal, the matters set out in paragraph 21 of the consultation document should be considered in a prior approval? Please give your reasons.**

Yes. As a minimum these matters will need to be considered in order to ensure safe housing is permitted in sustainable locations. Please see our answer to question Q3.2 for further details we believe should be considered.

**Q3.2 Are there any other planning matters that should be considered? Please specify.**

Yes. The National Planning Policy Framework states that the planning system should be 'genuinely plan-led' ([NPPF Para 15](#)). Local authorities prepare development frameworks for their local areas based on clear and rigorous evidence as well as engagement with local communities and stakeholders. This leads to well-planned and considered interventions for the future development of villages and cities, high streets and town centres. The proposed PDR would remove the certainty that Local Plans provide and create a less structured environment where traditional high streets could be broken apart.

When developing Local Plans, local authorities gather evidence related to housing market trends and demographics to determine the future housing requirements of their boroughs. This includes analysis of affordable housing need as well as the different types, tenures and sizes of homes required to meet the specific need within boroughs. What was seen with the introduction of office-to-residential PDR was an over-provision of studio and one-bedroom flats in areas where family housing was required. Should these developments have been

subject to the policies of Local Plans and assessed through a planning application, a more balanced provision of housing sizes, which respond to the need of the area, would have come forward. It is important that the delivery of housing in all areas including central London looks beyond numbers alone as each place is different and requires locally curated policies to balance housing types and tenures.

Consideration should also be made as to how local authorities will deal with subsequent planning applications made to alter the exterior of these buildings to make the units habitable. This is because the difference between a traditional shop-front, a light industrial unit or large department store are far more complex than that of an office building.

The consultation document does not reference the role of Article 4 Directions. Many of central London's local authorities operating in the Central Activities Zone (CAZ) implemented Article 4 Directions in a bid to retain the vital office space that homes our nationally and internationally important businesses, when permitted following the introduction of office-to-residential rights. It is unclear how this Article 4 Direction will be impacted by the introduction of the new Class E right.

Should the proposed right proceed we would strongly argue that at the very least the CAZ and areas such as the City Fringe should be exempt from this right in the interests of the London and national economies. This would enable the CAZ local planning authorities to continue to protect commercial and cultural uses including office uses.

If the Government is unwilling to protect the CAZ, then it should allow local authorities to introduce Article 4 Directions to protect the CAZ (or indeed other parts of their borough including high streets, town centres and employment clusters) without incurring any liability for compensation to the landowners. Article 4 Directions take a significant length of time to prepare, justify and implement, and the potential accelerated loss of Class E use floorspace during that time could be significant for the country's economic recovery from COVID-19.

Further, we support the Royal Town Planning Institute's assertion that "in order to achieve the governments net zero targets by 2050, it is vital that any future housing has sustainability embedded at the core of it. Housing delivered through PDRs is no exception to this" ([RTPI, 2020](#)). With climate emergencies declared by all of our member boroughs, CLF would advocate that it is a priority to ensure that all new homes and developments delivered meet high standards of environmental efficiency and quality regardless of their route to permission, including the prior approval process.

**Q4.1 Do you agree that the proposed new permitted development right to change use from Commercial, Business and Service (Class E) to residential should attract a fee per dwelling-house?**

**Please give your reasons.**

Yes. The prior approval process is still one that requires qualified planning professionals to review to ensure it meets the necessary standards. A one-size-fits all fee for this PDR is not appropriate nor is it justified given there is no proposed upper limit on the size of building that could be converted.

There is also the potential unfairness to small-and-medium sized developers undertaking PDR on a small scale who pay the same amount in fees as a developer seeking prior approval to convert a large building for potentially many hundreds of units.

**Q4.2 If you agree there should be a fee per dwelling-house, should this be set at £96**

per dwelling-house?

Please give your reasons.

N/A

**Q5. Do you have any other comments on the proposed right for the change of use from Commercial, Business and Service use class to residential?**

**Please specify.**

In a recent announcement the Ministry for Housing, Communities and Local Government confirmed that the revised housing need methodology for local authorities will include a 35% uplift in housing numbers for central London. Aside from the significant pressure this puts on local planning authorities to meet new housing numbers, it also puts further pressure on privately-run facilities and amenities such as gyms, creches and dentists, often located in town centres, and even greater pressure on publicly funded equivalents. Given residential is far more profitable the proposed PDR will result in the loss of these uses to residential just at a time when more social infrastructure will be required to support this housing growth. Any publicly funded equivalents are already at capacity and in need of investment.

**Q6.1 Do you think that the proposed right for the change of use from the Commercial, Business and Service use class to residential could impact on businesses, communities, or local planning authorities?**

**If so, please give your reasons.**

Yes. Owing to the number of uses that fall within Use Class E and how widespread they are across a global hub of commerce, culture, industry, office and retail in central London, we anticipate far-reaching effects on our businesses and communities.

As was seen with the introduction of the office-to-residential PDR, the real estate value of Use Class E led buildings in central London are likely to be significantly affected where greater returns can be made from residential conversion. In Camden this led to the loss of occupied floorspace and the need for businesses to invest in new premises ([RICS, 2018](#)), as well as knock-on effects for local economies and other businesses that may have served workers. The success of commerce and business depends on its surrounding eco-system of competition, comparative advantage and shared supply chains predicated on agglomeration or co-location.

The impact on real estate values may also lead to the accelerated loss of retail floorspace, negatively effecting economic recovery from COVID-19 and increasing unemployment. We re-iterate that consideration should be given to a need to evidence that the floorspace is indeed surplus to requirements. Local authorities are best placed to make this decision.

Bringing about new high-quality homes in sustainable locations is beneficial to our communities – but this must not come at the cost of the loss of valued retail or local employment. The loss of these may result in residents needing to travel much further in order to gain access to basic amenities or employment; this is likely to have more considerable impacts for those living in the more deprived areas of central London.

It is welcome that the government recognises take up of this new PDR could indeed be high; it is too simplistic to argue that assessing prior approvals instead of planning applications for these schemes is cost-saving and resource efficient for local authorities as there is likely to

be an increase in schemes that would not have come forward or were not in the pipeline for development.

This PDR would also represent a further dilution of the role that local authorities have as place-makers of their high streets and town centres. For many years, the national planning framework has required the need for careful management of town centres to ensure they can grow and adapt to changing consumer patterns and resident's needs, as well as ensuring their vitality and viability. Without boroughs being able to provide locally appropriate strategy and joined-up thinking, this PDR could lead to the permanent and unnecessary closure of many high streets.

Further, the inability to collect CIL or S106 contributions from these schemes presents a significant challenge to local authorities. With the proposal for no limits to scale of conversions, large buildings could be converted to residential with no contribution to the social infrastructure of the area, such as schools, nor any requirement to deliver affordable housing.

**Q6.2 Do you think that the proposed right for the change of use from the Commercial, Business and Service use class to residential could give rise to any impacts on people who share a protected characteristic? If so, please give your reasons.**

Yes. The structural shift to online shopping and remote working which predicated the justification for the proposed PDR is not one experienced by all communities of central London. Those who are digitally excluded including people who are elderly, disabled and less affluent are likely to be impacted the most from the loss of commercial and retail businesses in their localities.

Public transportation serves town centres, places where neighbourhoods connect to community facilities and amenities. Given residential is more profitable than these uses, the proposed right will push out facilities and amenities from centres, making them less accessible for mobility-impaired users and less safely accessible for children and young people.

In addition, these facilities and amenities depend on a concentration of footfall to remain viable. The dispersal away from the centre to edge or outer locations will render them less viable leading to further loss of these uses with negative impacts on the health and well-being of the population, particularly at a time when the restrictions on movement and the after-effects of the COVID-19 pandemic have had extremely negative consequences on the population. These facilities and amenities and the role of town centres will be crucial in addressing the damage, and re-building national health and well-being.

The employment of young people is concentrated in the wholesale and retail trade industries as well as accommodation and food service activities, accounting for almost 40% of all youth employment from April to June 2020 ([ONS](#)). The loss of occupied floorspace in Class E use could exacerbate youth unemployment, which has already been disproportionately impacted owing to the COVID-19 pandemic.

## **Part 2: Supporting public service infrastructure through the planning system**

**Q7.1 Do you agree that the right for schools, colleges and universities, and hospitals be amended to allow for development which is not greater than 25% of the footprint,**

or up to 250 square metres of the current buildings on the site at the time the legislation is brought into force, whichever is the greater?  
Please give your reasons.

N/A

**Q7.2 Do you agree that the right be amended to allow the height limit to be raised from 5 metres to 6?  
Please give your reasons.**

N/A

**Q7.3 Is there any evidence to support an increase above 6 metres?  
Please specify.**

N/A

**Q7.4 Do you agree that prisons should benefit from the same right to expand or add additional buildings?  
Please give your reasons.**

N/A

**Q8. Do you have any other comments about the permitted development rights for schools, colleges, universities, hospitals and prisons?  
Please specify.**

N/A

**Q9.1 Do you think that the proposed amendments to the right in relation to schools, colleges and universities, and hospitals could impact on businesses, communities, or local planning authorities?  
If so, please give your reasons.**

N/A

**Q9.2 Do you think that the proposed amendments to the right in relation to schools, colleges and universities, and hospitals could give rise to any impacts on people who share a protected characteristic?  
If so, please give your reasons.**

N/A

**Q10.1 Do you think that the proposed amendment to allow prisons to benefit from the right could impact on businesses, communities, or local planning authorities?  
If so, please give your reasons.**

N/A

**Q10.2 Do you think that the proposed amendment in respect of prisons could give rise to any impacts on people who share a protected characteristic?  
If so, please give your reasons**

N/A

**Q11 Do you agree that the new public service application process, as set out in paragraphs 43 and 44 of the consultation document, should only apply to major development (which are not EIA developments)? Please give your reasons.**

N/A

**Q12 Do you agree the modified process should apply to hospitals, schools and further education colleges, and prisons, young offenders' institutions, and other criminal justice accommodation?**

**If not, please give your reasons as well as any suggested alternatives.**

N/A

**Q13 Do you agree the determination period for applications falling within the scope of the modified process should be reduced to 10 weeks?**

**Please give your reasons.**

N/A

**Q14. Do you agree the minimum consultation/publicity period should be reduced to 14 days?**

**Please give your reasons.**

N/A

**Q15 Do you agree the Secretary of State should be notified when a valid planning application is first submitted to a local planning authority and when the authority it anticipates making a decision?**

**Please give your reasons.**

N/A

**Q16 Do you agree that the policy in paragraph 94 of the NPPF should be extended to require local planning authorities to engage proactively to resolve key planning issues of other public service infrastructure projects before applications are submitted?**

**Please give your reasons.**

N/A

**Q17.1 Do you have any comments on the other matters set out in this consultation document, including post-permission matters, guidance and planning fees?**

**Please specify.**

N/A

**Q17.2 Do you have any other suggestions on how these priority public service infrastructure projects should be prioritised within the planning system?**

**Please specify.**

N/A

**Q18 Do you think that the proposed amendments to the planning applications process for public service infrastructure projects could give rise to any impacts on people who share a protected characteristic?**

**If so, please give your reasons.**

N/A

### **Part 3: Consolidation and simplification of existing permitted development rights**

**Q19.1 Do you agree with the broad approach to be applied to the review and update of existing permitted development rights in respect of categories 1,2 and 3 outlined in paragraph 76 of the consultation document?**

**Please give your reasons.**

N/A

**Q19.2 Are there any additional issues that we should consider?**

**Please specify.**

N/A

**Q20 Do you agree that uses, such as betting shops and pay day loan shops, that are currently able to change use to a use now within the Commercial, Business and Service use class should be able to change use to any use within that class?**

**Please give your reasons.**

N/A

**Q21 Do you agree the broad approach to be applied in respect of category 4 outlined in paragraph 76 of the consultation document?**

**Please give your reasons.**

N/A

**Q22 Do you have any other comments about the consolidation and simplification of existing permitted development rights?**

**Please specify.**

N/A