

## **BusinessLDN Briefing: Towards a new London Plan**

*May 2025*

### **Context**

The [\*Towards a new London Plan\*](#) consultation is the first step in shaping the next London Plan – London’s statutory spatial development strategy that guides housing, economic growth, infrastructure, and sustainability across the capital. This early consultation seeks feedback on key priorities and will inform the draft Plan expected in 2026, with final publication scheduled for 2027. It comes at a time of significant challenge and change, including the Government’s target for London to plan for 88,000 new homes a year. The London Plan review presents a critical opportunity to reshape how the city delivers growth that is inclusive, sustainable, and economically viable.

This briefing note summarises the key themes from the *Towards a new London Plan* consultation – and analyses the proposals and their implications for London’s future growth.

### **Housing delivery and viability**

London has consistently failed to meet housing demand and London Plan housebuilding targets, with recent completions falling short of the Government’s new 88,000 homes target for the capital. The consultation maintains the brownfield-first strategy but acknowledges that relying solely on brownfield land is insufficient (see Green Belt section below). There is also acknowledgement that rising costs, viability issues, regulatory hurdles, and slow build-out rates are holding back development across the capital.

### **Green belt and urban extensions**

In perhaps the biggest change from the previous London Plan, the consultation sets out a strategic review of the Green Belt and Metropolitan Open Land, considering the release of low-quality land within these designations for transport-led development and environmental benefits. This aligns with national policy outlined in the December 2024 National Planning Policy Framework. Urban extensions of 10,000 homes or more in the Green Belt are also under consideration. The consultation outlines the GLA’s intention to work with the New Towns Taskforce to explore a potential New Town for London but makes clear that, from the Mayor’s perspective, a New Town in the capital would need to count towards its housing targets. BusinessLDN has consistently supported an evidence-based approach to releasing Green Belt land, balancing housing needs with environmental and economic priorities.

### **Affordable housing**

The consultation outlines the Mayor’s commitment to increasing the delivery of affordable housing, particularly for middle-income Londoners, with a proposed review of the affordability thresholds and the introduction of new tenures, such as Key Worker Living Rent. The document confirms the GLA will review the 35% affordable housing requirement to better incentivise delivery, a positive step given

the need for viable thresholds across economic cycles and to provide for greater flexibility in affordable tenure mix.

## **Opportunity Areas (OAs)**

OAs remain central to London's growth, particularly when linked to transport infrastructure. The consultation proposes updating or de-designating some OAs, with transport projects such as the DLR and Bakerloo Line extensions key to unlocking housing potential. BusinessLDN has advocated for a delivery-focused approach, ensuring OAs are supported by timely transport investment and effective planning.

## **Industrial land**

The consultation highlights the need to protect and intensify industrial land, ensuring it remains available for critical sectors such as logistics, manufacturing, and innovation. The proposal for a cross-London strategy to protect industrial land is a welcome addition, alongside the recognition of the Green Belt's potential role in enabling sustainable development and transport-led growth.

## **Commercial space and the Central Activities Zone (CAZ)**

The consultation proposes stronger protection for the CAZ to support its role as London's commercial and cultural core, while also promoting flexible, mixed-use growth in other key commercial hubs. It also sets out proposals to review the CAZ boundary to ensure it reflects current market conditions and growth opportunities. It is critical that the CAZ's global competitiveness is maintained while ensuring commercial space remains viable, adaptable, and responsive to changing economic needs across the city.

## **Town centres**

The consultation focuses on revitalising town centres, aiming to create vibrant, mixed-use areas that support both residential and economic growth. BusinessLDN supports this approach, recognising that well-connected town centres are vital to London's economic resilience while ensuring an optimal balance between retail, commercial, and emerging residential uses.

## **Sustainability and carbon impact**

Proposals in the consultation test the idea of introducing whole-life carbon and circular economy benchmarks in the London Plan, providing developers with clearer guidance. This approach would standardise decisions on building retention or demolition, ensuring that carbon impacts, sustainable growth, and housing needs are balanced consistently across the city.

The consultation highlights the ongoing tension between ambitious sustainability goals in London's net zero push and concerns from the industry over the potential impact on development costs and housing delivery. While there is a call for stronger climate action, streamlining implementation and aligning with existing industry practices are seen as crucial to avoid unnecessary delays and costs. This is also a topic area that is expected to be covered by the National Development Management Policy consultation promised for June.

## **London View Management Framework (LVMF)**

The consultation proposes reviewing and updating the LVMF to ensure it remains relevant and proportionate in its impact. This includes examining how the framework operates in practice and whether more detailed guidance is needed to strike the right balance between preserving key strategic views and enabling development that optimises the use of land. As a highly technical tool that can restrict tall buildings, a proportionate review could help unlock well-designed schemes in appropriate locations.

## **Fire Safety**

On fire safety, the consultation signals a clearer division of responsibilities, proposing that future iterations of the London Plan remove the current overlap between planning policy and building regulations. It makes the case that fire safety assessments should not fall within the remit of planning officers, who are not qualified to make such judgements. In the longer term, the document suggests consolidating fire safety and evacuation standards within a national framework, a sensible step given that much of this is already covered by existing regulations and need not be duplicated in the London Plan.

## **Affordable Workspace**

This is a topic that BusinessLDN has worked closely on, both in terms of shaping the policy in the current Plan and monitoring its effectiveness. The consultation proposes a broader, more consistent approach to affordable workspace across London, extending requirements beyond offices and light industrial uses to include cultural, commercial, and community spaces. It also explores more flexible delivery methods, such as off-site provision and financial contributions, alongside clearer criteria on rent, duration, and eligibility to improve fairness and viability across boroughs, all of which we have called for in our work in this space.

## **Planning reform and process improvements**

The consultation sets out the GLA's intention to explore ways to streamline the London Plan and improve outcomes by reducing duplication and introducing more flexible designations. BusinessLDN backs these efforts to simplify the Plan, reduce bureaucratic barriers, and focus on delivering growth and investment.

## **What does this all mean for London?**

The *Towards a new London Plan* consultation rightly zooms in on two of the capital's most urgent challenges: accelerating housebuilding and driving economic growth. These priorities, clearly laid out in the Mayor's foreword, must shape the plan with a sharp, strategic focus. Delivering on these ambitions will require bold decisions – from enabling large-scale development to rethinking outdated policies – if London is to break decisively from a planning system regarded as overly complex and slow.

Yet the consultation also reveals a central tension: the need for a simpler, more strategic plan versus a desire to go further than national policy in areas like climate action. Striking the right balance between ambition and delivery will be crucial. This high-level document hints at the political and practical pressures ahead, from government on housing, from developers on viability, from business on protecting

commercial centres, and from environmental groups on the Green Belt and sustainability. The Mayor will need to stay the course, knowing that while the plan won't be published until 2027, the choices made now will shape London's built environment for decades to come.

The consultation includes several welcome and bold proposals that reflect long-standing calls from across the sector. The continued emphasis on a "brownfield first" approach, coupled with a more open stance on using lower quality parts of the Green Belt and Metropolitan Open Land for urban extensions, could enable strategic, large-scale development, including the possibility of a New Town within London. The proposed review of the 35% affordable housing threshold is another positive signal; if taken forward with seriousness and pragmatism, it could address one of the biggest barriers to delivery and allow greater flexibility on affordable tenure mix. Likewise, the proposed pan-London approach to protecting industrial land is a positive step towards a more strategic and holistic framework, better aligning key uses like logistics with infrastructure and more effectively supporting London's economic ecosystem. Stronger protections for the Central Activities Zone are also encouraging, reaffirming its central role in the capital and the national economy.

At the same time, there are areas where the direction is promising, but questions remain. For example, the emphasis on increasing suburban density in outer London is referenced but will need to be more central to any serious plan to meet the 88,000 homes-a-year target, especially given the previous Inspectors' scepticism at the current Plan's approach on this matter and their call for the next London Plan review (i.e. this one) to go much further. Similarly, while the industrial land and CAZ proposals are positive, the effectiveness of these policies will depend on how flexibly the plan can respond to changing market conditions. There are also early signals around sustainability, such as proposals to clarify when buildings should be demolished or retained, and the potential introduction of whole-life carbon and circular economy benchmarks, which could bring consistency, but require further detail and may be affected by the forthcoming National Development Management Policy consultation. Overall, while this consultation sets out a more ambitious direction, it will take bold decisions and a commitment to delivery, particularly on affordability, OAs, and a more agile London Plan to turn that ambition into reality.

## Next steps

The consultation on the new London Plan is now open. We will be engaging with members to develop our formal response. Don't miss our exclusive members-only briefing with the GLA's London Plan Team on Wednesday, 28 May. Get the inside track and find out more [here](#).

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