TOWARDS A NEW LONDON PLAN

CONSULTATION RESPONSE

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INTRODUCTION

1. BusinessLDN is a business membership organisation with the mission to make London the best city in the world to do business, working with and for the whole UK. BusinessLDN works with the support of the capital's major businesses in key sectors such as housing, commercial property, finance, transport, infrastructure, professional services, ICT, and education. We welcome the opportunity to respond to the Mayor's 'Toward's a new London Plan' consultation and, as an organisation, we bring a wealth of experience having been closely involved in the preparation and examination of all the preceding iterations of the London Plan.

OVERVIEW

2. BusinessLDN welcomes the open and positive tone of this consultation, the commitment from the Mayor to produce a new, streamlined replacement London Plan, and his acknowledgement of the challenges facing development delivery in the capital and the need to avoid any additional cost burden on development. It is imperative that these commitments are all reflected in the detail of the draft new Plan.

3. Since the current London Plan was conceived, there have been significant changes in national planning policy and the regulatory framework for new development on matters such as design, energy, carbon, fire safety and the Agent of Change principle. Furthermore, as the Mayor progresses to the next stage of producing a full draft new Plan, the Government will bring forward its promised National Development Management Policies (NDMPs) which are expected to cover further London Plan topics such as broader sustainability matters and the protection of heritage assets.

4. This new London Plan should therefore focus on being a genuine spatial development strategy and cover matters that are specific to London and of strategic importance. We look forward to working with the GLA London Plan Team in a constructive and collaborative manner over the next year as a full draft document is progressed.

5. BusinessLDN supports the overarching objective to ramp up and diversify housing supply, whilst giving equal priority to the economic growth of London. More specifically, our key thoughts and asks for the new London Plan can be summarised as follows:

Central Activities Zone (CAZ)

6. The CAZ should be retained as it is a long established, effective concept that all London stakeholders and international investors are familiar with. The boundary should be reviewed to ensure it remains fit for purpose and there is scope to pursue a more nuanced policy approach for different character areas within the CAZ to support increased housing delivery where this can be carefully managed without risk to the CAZ's commercial function and global competitiveness.

Supporting the London Growth Plan

7. The new London Plan will need to be aligned with the London Growth Plan by providing a clear framework for nurturing emerging and established economic clusters. The proposal to establish a new, flexible economic designation is supported in this regard.

Opportunity Areas (OAs)

8. The proposal to review, update and, where appropriate, de-designate OAs that have fulfilled their ambitions is welcomed. It allows greater focus and resource to be directed towards areas with genuine potential to accelerate delivery, reclaiming the more bespoke planning and infrastructure approach that served early OAs so well. OAs provide a robust framework to support the economic clusters mentioned above and link to the London Growth Plan.

Green Belt review

9. A strategic, criteria-based review of the Green Belt is a pragmatic and necessary move. Releasing lower-quality or underused sites with strong transport links could play a valuable role in supporting London's growth whilst still maintaining the wider integrity of the Green Belt to prevent urban sprawl. The case for at least one new, well-connected urban settlement in or near the capital is compelling and should be a core part of the Green Belt conversation regardless of whether London secures a new town through the Government-led process.

Industrial land

10. The current London Plan marked a step change in the strategic protection of industrial capacity and these principles should be carried forward into the new Plan. However, a more sophisticated approach to assessing, and disseminating, industrial capacity is needed at a strategic level. The proposal to allocate industrial capacity targets for each borough is therefore fully supported.

11. This strategic approach to capacity, in tandem with the Green Belt review, provides the opportunity for a holistic review of London's land use distribution. It is anticipated that some grey belt land in London may be better suited for industrial uses, data centres, or energy infrastructure, helping to unlock other more viable sites for housing. It is therefore an

opportune moment to consider the potential for strategic land swaps between industrial and housing in partnership with the boroughs. Simply protecting the historic status quo of industrial capacity does not necessarily mean that industrial activities are located in the optimum locations close to freight infrastructure, and serving modern economic needs, or that the optimum quantum of land for new housing can be realised. Many industrial designations also overlap with OAs and growth corridors which are earmarked for the delivery of significant numbers of new homes and jobs. This approach would ensure that land-use distribution is optimised in the most sustainable way and ultimately creates a better spatial strategy outcome to help London deliver on its housing and growth targets.

12. Where industrial land is allocated for housing, the requirement to deliver 50 per cent affordable housing should be revisited.

Affordable housing

13. Given the very different context in which developers are now working, the proposal to review the threshold approach is welcomed. The two-pronged approach for compliant schemes to follow the Fast Track Route (FTR), or alternatively the Viability Tested Route (VTR) has become well established, however there is considerable scope to improve scheme viability, and thus increase delivery, within the existing target. Increased flexibility around tenure mix, dwelling mix, delivery phasing, review mechanisms, and the extent of compliance with other polices in the Plan, are all factors that can influence the viability and deliverability of a scheme.

14. Embedding such principles from the GLA's 'Accelerating Housing Delivery' Planning and Housing Practice Note[1] into adopted London Plan policy would make the Plan more flexible to ensure that affordable housing delivery is optimised whilst at the same time ensuring the London Plan can better adapt to changing market conditions. In particular, embedded in policy should be the Practice Note clarification that the intention of current Policy H5 is for an application to meet the affordable housing threshold and other relevant affordable housing requirements for it to be considered under the FTR, not that it must meet *all* relevant policy requirements elsewhere in the Plan.

15. The new Plan should also be clearer that all Local Plans in London are expected to be in conformity with the Mayor's target for affordable housing and not set their own, higher targets which are unlikely to generate higher numbers of affordable homes, but instead create uncertainty and rick constraining the residential pipeline in that borough.

Affordable workspace

16. Since London Plan Policy E3 was conceived, there have been structural changes in the commercial property market arising from the pandemic and an increase in vacant commercial space in secondary locations. The starting point should therefore be to gather evidence to ascertain if start-ups and SMEs are being better served by the market than was previously the case and whether there remains a need for an affordable workspace policy. It is also questionable whether affordable workspace should be a priority for planning gain compared to,

[1] Accelerating Housing Delivery Planning and Housing Practice Note (GLA, 2024)

for example, infrastructure investment in the absence of capital investment from central government.

17. If the policy is retained, its effectiveness needs to be improved to deliver better outcomes. The proposal to standardise the approach across London would be a mistake. Instead, affordable workspace policy should continue to be locally led where there is evidence identifying need and demonstrating how provision can be tailored to local demand. The boroughs need support through London Plan Guidance (LPG) rather than standardisation which our report[2] in 2022 clearly demonstrated.

18. Off-site delivery often provides the optimum outcome for all stakeholders. Opportunities to create agglomeration benefits and collaboration within buildings and hubs are enhanced. Alternatively, payments in lieu can be pooled from a number of developments for local authority led affordable workspace hubs, to subsidise market rents rather than provide physical space, or to provide financial support for existing affordable workspace facilities. Recognition in the consultation document for the benefits of these alternative options to on-site provision is therefore welcomed.

19. Where conventional affordable workspace needs are already being met through lower cost space in the local market, there could be greater flexibility to broaden the range of uses that can be delivered. However, where a borough wants to take this approach, they should develop a clear hierarchy of planning gain priorities according to local need and taking account of the imperative for infrastructure investment.

Town centres and high streets

20. The new London Plan should support a more flexible approach to the range of businesses and commercial activities present in town centres and high streets whilst encouraging the boroughs to proactively explore repurposing underused commercial spaces, particularly for housing, light industrial and last mile logistics hubs.

Development density and tall buildings

21. The new Plan presents an opportunity to explore in greater detail the additional contribution that both small sites and densification of the suburbs can make towards increasing London's housing supply. The proposal for a London-wide design code for the intensification of small sites is supported. This would ensure strategic direction on applications that do not fall under the Mayor's remit and raise the bar for a consistent level of ambition across London as a whole.

22. The current policy approach to tall buildings must also be updated to strengthen its ambition and take a more proactive role in supporting tall buildings in suitable locations. The definition should revert to previous iterations which described a tall building as one which was significantly taller than prevailing building heights in that locality. Any inference that tall buildings can only be brought forward on allocated sites should also be omitted.

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2 Delivering Affordable Workspace in London, (BusinessLDN, 2022)

London View Management Framework (LVMF)

23. The commitment to review the LVMF is welcomed. Advances in digital technology provide an opportunity for a more sophisticated approach, to improve consistency in decision making and strike the right balance between preserving key strategic views and optimising development potential.

Sustainability goals

24. Changes to national planning policy and the regulatory framework in respect of sustainability matters mean that this part of the new Plan can be substantially streamlined as the national context has caught up and it is no longer necessary for London to take its own path. Consistency with national requirements in London is key to help simplify the policy landscape, prevent any duplication, and provide clarity for developers.

Carbon offsetting

25. London's current carbon offsetting system suffers from major flaws and greater standardisation is urgently needed including a London-wide methodology for calculating embodied carbon. As put forward in our report on carbon offsetting[3] last year, in London LPAs could pool their available funds through the existing sub-regional partnership. to start pooling contributions and ensure the money is being utilised effectively.

Cycle parking

26. The current approach to cycle parking provision needs substantial overhaul in respect of residential and commercial developments because it has created vast cycle stores that significantly exceed demand. It is often necessary to provide such stores in an excavated basement, which carry significant carbon cost, as well as significant financial cost, thus impacting a scheme's sustainability credentials and its viability, in turn also impacting its ability to meet other strategic priorities such as affordable housing or affordable workspace provision.

COMMENTS ON RELEVANT CONSULTATION PARAGRAPHS

Paragraph 1.4: Viability and delivery

27. Development viability remains one of the most pressing barriers to delivering development in London and we agree with the contributory factors listed in Paragraph 1.4 that have undermined viability since the previous London Plan review. In addition to those mentioned, in the last two to three years, the changes to the fire and building safety regulatory context specifically, and the established S106 delivery framework for affordable housing failing due to the inability of Registered Providers to purchase affordable homes at historic levels, have both been factors that have curtailed delivery.

[3] Blueprint for a Business-led UK Collective Offsetting Fund (BusinessLDN, 2024)

28. A new London Plan cannot depend solely on market recovery; it must proactively support construction by providing greater flexibility in the application of policy objectives, whilst also recognising that delivery depends on parallel action such as increased public funding for affordable housing, infrastructure and utilities in order to leverage in more private sector investment. In this context, we welcome the reference in the last sentence of Paragraph 1.4 to phasing some policy requirements, particularly on large schemes. This is not just about waiting for economic conditions to improve; the timing of planning obligation payments in relation to development income, the sequencing of land uses being built out, and the requirement for viability reviews (and their timing) all have a significant bearing on cash flow and thus the overall viability and deliverability of a development, and consequently the extent of planning gain that can be extracted from development. Further policy in the new Plan about this issue would enable policy objectives to be maintained, whilst providing a more supportive financial context for development.

Paragraph 1.10: Good growth objectives

29. We remain supportive of the six objectives for Good Growth which underpin the current London Plan and effectively set the direction for the strategic policies which follow. We also consider that they remain consistent with national policy. However, the detailed explanatory text which supports each Good Growth objective will need to be reviewed to ensure it is still fit for purpose. In particular:

   i. updating *GG5: Growing a good economy* to link it to the new London Growth Plan; and
   ii. ensuring the objectives are consistent with the Growth objectives of the current Government, in particular ensuring that *GG4: Delivering the homes Londoners need* and *GG5: Growing a good economy* are given equal prioritisation and one is not prioritised at the expense of the other.

Section 2: Increasing London's housing supply

30. London has an ambitious housebuilding target of over 88,000 net new homes per annum but has consistently failed to hit its previous targets – only 33,000 homes built in 2023/24 and 23 of London's 33 boroughs recording zero housing starts for the first quarter of this year[4].

31. Residential development faces several challenges with three proving to be particularly difficult to overcome: an unpredictable and under resourced regulatory environment, principally delays in the Building Safety Act's gateways process; a slow and under resourced planning system; and development viability. This review marks the opportunity to streamline the London Plan, make it more flexible to react to market conditions, and support more multi-tenure development to come forwards.

[4] MHCLG Live Tables on dwelling stock (including vacants), 2025

Paragraph 2.1: A brownfield first approach

32. A ‘brownfield first’ approach – and a need to make efficient use of brownfield land – should remain a policy priority. However, this has consistently been a policy objective at a national and London level for decades, having first been introduced by the Labour Government in the late 1990s and reflected in the London Plan through all its previous iterations. For many years, including in stronger economic times, this approach has repeatedly failed to deliver the number of homes needed to meet supply in London. Whilst sustainable development and Good Growth should rightly optimise the redevelopment of brownfield land in the first instance, clearly additional land supply is required. We therefore support the planned review of London’s Green Belt, and the identification of Grey Belt for release, in order to diversify and increase land supply.

Paragraph 2.3: Opportunity Areas

33. Opportunity Areas (OAs), first introduced in 2004, have played a key role in driving regeneration across London. Notable successes in areas like King's Cross and Vauxhall Nine Elms Battersea were driven by a bespoke approach to regeneration that sought to optimise the opportunities presented by that particular locality and, where necessary, reprioritise local and strategic policies to meet localised regeneration objectives. However, not all of the 47 designated OAs have delivered as intended. The proposal to update, and where appropriate, de-designate OAs that have fulfilled their ambitions is a pragmatic step. It allows greater focus and resource to be directed towards areas with genuine potential to accelerate delivery, reclaiming the more bespoke approach that served early OAs so well.

34. Given the need and ambition for growth, the new approach for OAs (both existing OAs and any new designations) needs to go further. The updated London Plan should target policy interventions to support delivery in OAs identified as primed for growth and in line with the London Growth Plan. This could include greater flexibility on affordable housing requirements, more streamlined planning processes, and clearer viability guidance to help bring forward schemes at pace, particularly where infrastructure investment may need to be prioritised over other planning gain requirements. Indeed, the future success of emerging or new OAs will depend on their alignment with infrastructure investment. Strategic planning must link OA designations to both major transport schemes – such as the Bakerloo Line extension or DLR extension – and to smaller scale infrastructure improvements that unlock sites and enable higher density development. Without this integration, opportunities to accelerate growth and meet housing targets will remain constrained.

Paragraph 2.4: Central Activities Zone

35. We welcome the recognition in Paragraph 2.4 that the CAZ needs to continue to function as the UK’s economic powerhouse and remain at the forefront of London’s global city offer. Indeed, demand for office space in the CAZ remains strong as a result of post-COVID trends and what is often described as the ‘flight to quality’. By way of illustration, research by Remit

Consulting[5] shows that the West End and Square Mile maintain relatively higher occupancy rates (55–60%) compared to outer London (25–30%), reflecting their continued appeal and accessibility.

36. Simultaneously the CAZ continues to provide opportunities to deliver new homes through densification, where redevelopment opportunities arise, and repurposing redundant commercial space particularly in fringe locations. It is therefore imperative that policy achieves a balanced and targeted approach for new housing in the CAZ that maximises supply whilst not undermining the CAZ's economic purpose and function.

37. Linked to this, the Agent of Change Principle (current Policy D13) has been extremely helpful in respect of new development. However, this is now contained in the National Planning Policy Framework (NPPF) and so does not need to be carried forward into the new Plan. More broadly, there remain pockets of the CAZ where there are tensions between residents and commercial activities and the levels of noise and disturbance that it is deemed acceptable for them to emit. It is for this reason that the balance between the continuing trend to increase the number of homes in the CAZ, and repurposing redundant commercial space, should be carefully managed.

38. In this context, we support a review of the CAZ boundary and an update on previous CAZ studies to understand the post-pandemic distribution of CAZ uses to ascertain:

    i. key areas for offices, trends in office take up and development, the extent to which occupiers are preferring single or mixed-use locations, and the role of policy in enabling a range of provision to meet different sectoral needs;
    ii. those parts of the CAZ which are actively being diversified to promote 24/7 activity;
    iii. those parts which are predominantly residential in character where additional housing could be targeted; and
    iv. secondary and tertiary office locations where redundant office space is likely to remain vacant and could be repurposed to meet other land use objectives.

39. This could result in a tier of land use designations that replace the existing CAZ, each with their own policy priorities. However, we consider that retention of the CAZ would be preferable in principle as it is a long established, effective concept that everyone is familiar with. Within that established CAZ framework, a more carefully nuanced policy approach could address points (i) to (iv) above, especially if a boundary review suggests some fringe areas should be removed to reinforce the commercial core and thus maintain the CAZ's global competitiveness.

40. A reduced CAZ could then be more strongly protected through increased use of Article 4 Directions to prevent Permitted Development office to residential conversions. To be effective, this approach would require proactive strategic policy, taking into account practical design and associated viability challenges, to incentivise such developments to come forward through the standard planning process.

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[5] Five years on from Lockdown (Remit Consulting, 2025)

41. Paragraph 2.4 also references a review of the London View Management Framework (LVMF), which is welcomed. The LVMF has played a useful role in helping to protect key views of London's prime heritage assets. However, its application has been patchy – sometimes an overly cautious approach has meant sites not being optimised to their full development potential and at other times planning decisions have failed to properly take account of the LVMF (for example, the row that broke out in 2016 when a 42-storey tower in Stratford infringed the main dome of St Paul's Cathedral in the view from King Henry's Mound in Richmond Park[6]).

42. Advances in digital technology provide an opportunity for a more sophisticated approach to the LVMF, and its application, to ensure a more consistent approach that strikes the right balance between preserving key strategic views and optimising development potential.

Paragraph 2.5: Town centres and high streets

43. The commitment to further explore the potential for town centres and high streets to increase their contribution to housing supply is welcomed. They will provide an important source of housing land supply.

44. Since the last London Plan was published, the capital's town centres and high streets have continued to transform. The next iteration of the London Plan should support and encourage boroughs to proactively explore repurposing underused commercial spaces, particularly for housing. This approach would enable delivery in well-connected locations, support the creation of walkable, mixed-use neighbourhoods, and breathe new life into declining high streets, ensuring they continue to contribute to vibrant, resilient local communities. Striking the right balance, however, is crucial. While supporting a broader mix of uses is important, it must not come at the expense of the commercial core. Redundant commercial space should be repurposed efficiently, but in a way that strengthens – rather than erodes – the character and economic role of the area.

Paragraph 2.6: Industrial land

45. The industrial sector is a vital component of London's economy, providing space for logistics, manufacturing, and essential services that keep the capital functioning. Whilst the London Plan should maintain a strong focus on protecting industrial land, there is scope to take a more flexible and strategic approach to managing London's longer term industrial capacity whilst supporting the delivery of more homes.

46. The current London Plan introduced the concept of co-location and, as the consultation document notes, this has had mixed results. Whilst there have been some notable successes, current land values and delivery challenges indicate that the number of homes to be delivered via co-location schemes is likely to be limited over this next plan period, with some industrial

[6] https://www.theguardian.com/uk-news/2016/nov/23/london-mayor-urged-to-act-over-tower-that-compromises-st-pauls-view

developers going as far as to say they will not actively pursue any further co-location schemes in the foreseeable future.

47. The current Plan also introduced policy support for multi-layering of industrial floorspace, to free up land for housing, but these types of schemes are also yet to materialise at any meaningful scale and have been mostly targeted at creative industries or light industrial users. The multi-level format is only attractive to certain types of occupiers, and the Plan was unable to adequately incentivise developers to take on the risk of building out speculative multi-level schemes which can be complex and costly. International experience demonstrates that, when properly planned and supported, these formats can meet the operational needs of logistics occupiers and be successfully delivered at scale, however they have specific design requirements including appropriate floor heights, HGV access, yard depth, and servicing infrastructure. For these schemes to succeed in London, there must be better delivery support across key stakeholders, including the GLA, TfL, boroughs, and infrastructure providers.

48. One source of land supply, which is in theory possible through the current Plan, but will become a more feasible option through this review, is exploring the potential for industrial land swaps to optimise the release of land for housing whilst maintaining London's industrial capacity. The promised Green Belt review, and the identification of Grey Belt for housing development, provides the opportunity to simultaneously undertake a holistic review of London's industrial land. Indeed, some of London's existing industrial land, particularly within SIL and LSIS designations, is based upon historic locations that are not optimal locations for modern needs, and they often overlap with OAs and growth corridors which are earmarked for the delivery of significant numbers of new homes and jobs.

49. There may be scope, in partnership with the Boroughs, to relocate industrial uses to sites with stronger links to the freight network whilst freeing up land with better public transport accessibility for denser housing development. This would offer a pragmatic solution where existing industrial sites are no longer optimal and potentially allow the release of well-located brownfield land for housing. Formalising this process to a greater extent in the new London Plan, in the context of the Green Belt review, would bring clarity, support delivery, and help meet multiple strategic objectives. This approach would ensure that land-use distribution is optimised in the most sustainable way and create a better spatial strategy outcome.

50. Where co-location schemes and land swaps can be brought forward to contribute to housing supply, whilst maintaining industrial capacity, the Plan should make clear that the Agent of Change Principle in the NPPF will apply to ensure that the future operations of any industrial or commercial activities are not compromised by the proximity to residents.

51. Finally, where land is allocated for housing from Strategic Industrial Locations, Locally Significant Industrial Sites and Non-Designated Industrial Sites, current Policy H5: *Threshold approach to applications* Part B requires 50 per cent affordable housing. Even when the economy was stronger, this proved a challenge for development viability and has also contributed to the low numbers of co-location schemes. This should be revisited as part of the Plan review.

Paragraph 2.7: Wider urban and suburban London

52. During the last London Plan review, BusinessLDN supported the policy approach to increase housing supply by optimising delivery from small sites (up to 25 new homes), particularly in suburban areas in the Outer London Boroughs. However, we were concerned that the Plan's strategy on small sites was not sufficiently progressed to deliver the level of development originally anticipated by the Plan (38% of all new homes). The Inspectors who examined the Plan shared our view and recommended that the Mayor reduce the small sites target by over 50% and, consequently, the overall housing target by almost 20%.

53. Despite the above, there remains huge potential in exploring the additional contribution that both small sites and densification of the suburbs could make towards increasing London's housing supply. This Plan will need to explore these sources in greater detail than the last and develop a more sophisticated policy approach to ensure that these sources can be optimised. The consultation document references that there has been varying levels of ambition across the boroughs in this regard at a local level. One way to address this (as suggested in Chapter 5) would be a London-wide design code for the intensification of small sites. This would ensure strategic direction on applications that do not fall under the Mayor's remit and raise the bar for a consistent level of ambition across London as a whole.

Paragraph 2.8: Other sources of housing supply

54. New national policy supporting Green Belt review has created an opportunity for London to reassess how its land is used and identify new sources of housing land supply. While this shift is a welcome step towards meeting higher housing targets, there remains uncertainty over how much Green Belt land in London is viable for release and what proportion of housing need it can realistically meet. Nonetheless, a strategic and criteria-based review of the Green Belt should be embraced as a pragmatic and necessary move to assess whether the land contained within it fulfils its statutory purpose as Green Belt and also assess which areas meet the new definition of 'grey belt'. Releasing lower-quality or underused sites with strong transport links could play a valuable role in supporting London's growth whilst protecting the wider integrity of the Green Belt to prevent urban sprawl. As stated above under Paragraph 2.6, this should be undertaken in parallel with a strategic review of industrial land to ensure the optimal sustainable land use distribution.

Paragraph 2.9: Beyond London's existing urban area

55. Alongside Green Belt review, national policy has introduced the concept of 'grey belt' – land within the Green Belt that may be suitable for release following local assessment. This shift is welcome, though the extent to which grey belt land in London can realistically be brought forward remains uncertain, especially given the national policy expectation for a 15% uplift on the local affordable housing requirement and in the context of current viability constraints, rising build costs, and delivery challenges. As such, grey belt land in London may be better suited for industrial uses, data centres, or energy infrastructure, in turn helping to unlock other

sites for housing through land swaps. Nevertheless, both green and grey belt reviews offer a pragmatic opportunity to increase land supply and support London's growth.

Paragraph 2.10: Large-scale urban extensions in the Green Belt

56. The consultation rightly acknowledges that if Green Belt land is to be released, it must be for genuinely ambitious, high-quality development that maximises the potential of the land. Any release must deliver significant, high-density communities that are supported by public transport, and which contribute to vibrant local economies and thriving, sustainable places.

57. It is encouraging to hear about the ongoing collaboration between the GLA and the New Towns Taskforce. Earlier this year, BusinessLDN and industry leaders published a paper[7] arguing that London is ideally placed to deliver a new town, thanks to the Mayor's devolved powers and the capital's integrated transport network. The case for at least one new, well-connected urban settlement in or near the capital is compelling and should be a core part of the Green Belt conversation.

58. Even if London does not get selected as a location by the New Towns Taskforce, the London Plan should set the strategic framework for the delivery of large-scale new towns-style development as one part of its broader strategy to increase housing supply.

59. What is clear is that if Green Belt land is to be released, it must meet the golden rules set out in national policy. Developments must be large enough in scale to support transport infrastructure, deliver genuinely affordable homes and create successful, inclusive communities – anything less would fail to justify the land release.

Paragraph 2.11: Metropolitan Open Land

60. It is welcome that the consultation also recognises the potential for targeted, strategic release of Metropolitan Open Land (MOL). However, it is important to note that MOL differs from Green Belt in its designation and purpose and it is important that any review of MOL, and any forthcoming policy, is distinct from the Green Belt review and policy strategy.

61. The consultation states that MOL will continue to perform a vital role for London, however there are sites that may no longer serve the designation's intended purpose and could be appropriate for development. Some of these sites could be seen as grey belt and, without a clear national policy position, there is potential for an increase in speculative applications ahead of the new Plan's adoption.

62. Some MOL sites, such as underutilised golf courses, deliver limited public or environmental benefit and could be better used to meet London's growing housing need whilst providing public access to green space. The release of MOL should be actively explored where

[7] The Case for a New Town in London (BusinessLDN, 2025)

appropriate, ensuring alignment with wider sustainability and placemaking goals and the Good Growth objectives.

Paragraph 2.13: Planning for affordable housing

63. London faces an acute shortage of all types of homes, and we welcomed the Mayor's commitment to deliver 6000 new homes specifically for key workers through a new Key Worker Living Rent model, consulted on earlier this year. Whilst we were clear in our support, it is crucial that the delivery of Key Worker Living Rent (KWLR) homes is not to the detriment of the scheme's overall viability and clear policy direction is required to ensure the delivery of these homes is supported by developers, registered providers (RPs) and local planning authorities (LPAs).

64. Given the very different context in which developers are now working, the proposal to review the threshold approach is welcomed. The two-pronged policy approach for compliant schemes to follow the Fast Track Route (FTR), or alternatively the Viability Tested Route (VTR), has become well established. For it to continue working, obtaining a planning decision via the FTR must be genuinely fast. Furthermore, the VTR must be viewed by all as a constructive pathway to find a workable solution where 35% is not achievable rather than an applicant being non-compliant with policy. To speed up delivery, the VTR should also become less onerous, accepting that it will always be more complex and time consuming than the FTR.

65. However, as demonstrated by the GLA's 'Accelerating Housing Delivery' Planning and Housing Practice Note[8], there is scope to improve scheme viability within the existing target. Increased flexibility around tenure mix, dwelling mix, delivery phasing, review mechanisms, and the extent of compliance with other polices in the Plan, are all factors that can influence the viability and deliverability of a scheme. Embedding such principles from the Practice Note into adopted London Plan policy would make the Plan more flexible in changing economic conditions to ensure that affordable housing delivery is optimised whilst at the same time ensuring the London Plan can better adapt to changing market conditions. One particular example is the following reference in paragraph C (3) of current Policy H5: *Threshold approach to applications*:

> *"C To follow the Fast Track Route of the threshold approach, applications must meet all the following criteria:*
> *…*
> *3) meet other relevant policy requirements and obligations to the satisfaction of the borough and the Mayor where relevant…"*

66. This criterion has been applied rigidly by the boroughs in some cases whereby applications have been expected to meet *all* relevant policy requirements in order to follow the FTR. Planning decisions are inherently a balance of competing policy priorities, especially on large complex schemes that have the potential to deliver significant housing numbers. The 2024

[8] Accelerating Housing Delivery Planning and Housing Practice Note (GLA, 2024)

Practice Note acknowledges this at Paragraph 3.3 by confirming that the intention of H5 part C (3) is that a scheme must meet the affordable housing threshold and other relevant affordable housing requirements, including eligibility and affordability criteria, for it to be considered under the FTR. Furthermore, *"LPAs should not generally require applications to follow the VTR unless the relevant affordable housing threshold and related affordable housing criteria are not met, or the applicant relies on viability information to demonstrate that another policy requirement cannot be achieved"*. This welcome clarification needs to be embedded in the policy wording of the new London Plan.

67. The new Plan should also be clearer that all Local Plans in London are expected to be in conformity with the Mayor's target for affordable housing and not set their own, higher targets which are unlikely to generate higher numbers of affordable homes but instead create uncertainty and rick constraining the residential pipeline in that borough.

68. A further amendment required to the explanatory text of H5 is the requirement that when applications follow the VTR, there should be one viability negotiation that is conducted in partnership between the applicant, the local planning authority and the GLA viability team. The practice for some boroughs to pursue a separate viability discussion brings unnecessary duplication, confusion and delay to the planning process.

Paragraph 2.14: Estate regeneration

69. Whilst it is important to preserve existing social housing on such schemes, this proposal risks being too prescriptive and lacks sufficient flexibility for providers to tailor the housing to needs of residents. These projects are challenging and costly to deliver and should be encouraged to come forward due to the significant social benefits that they bring.

Paragraph 2.15: Build to rent

70. Removing barriers to enable the delivery of more Build to Rent (BtR) schemes to come forward is welcome. BtR properties are specifically designed to meet the needs of renters, offering professionally managed homes with a range of amenities. Despite a challenging fiscal and regulatory environment which has hampered the delivery of new homes in London, the total Build-to-Rent pipeline has seen steady growth year-on-year across the capital as illustrated in our report earlier this year[9].

71. Whilst the sector saw a 5% increase in total activity across London in Q3 2024 compared to the same time last year, reinforcing its role as a provider of new homes in the capital, work is needed to address the sharp 11% drop-off in Build-to-Rent homes under construction. The new London Plan should be more directive in requiring all the boroughs to forward plan for BtR as a source of private housing land supply and Discount Market Rent should consistently be the preferred affordable product.

[9] Who Lives in Build to Rent? London Edition (BusinessLDN, 2025)

Paragraph 2.17: Specialist and supported housing and housing London's older population

72. The new London Plan needs to provide policy support for all products and tenures, in order that more people are living in accommodation that meets their specialist needs, thus reducing pressures on conventional C3 housing.

73. In terms of care and nursing provision for older people, current London Plan Policy H13: *Specialist Older Person Housing* states the boroughs should work positively and collaboratively with providers to identify sites which may be suitable for specialist older person housing. In addition, current Policy S2: *Health and social care facilities* states that development proposals that support the provision of high-quality new and enhanced health and social care facilities to meet identified need and new models of care should be supported.

74. This policy approach should be reviewed and updated as part of the Plan review so that planning for our ageing population is proactive and taken more seriously. The current policies provide positive 'support', but they do not require the boroughs to specifically plan and provide for care and nursing accommodation and the reality of this is that there are no sites actually allocated for care and/or nursing accommodation across the whole of London.

75. Furthermore, some care homes, and all nursing homes, fall into a different Use Class than conventional private housing; they are C2[10] uses as distinct from C3 uses. This means that they are not, in fact, permitted on allocated housing sites. Boroughs are fiercely safeguarding housing sites for new homes to meet their growing targets and, as such, nursing homes are not being provided for, when we know we have a growing need for them. The London Plan should require boroughs to allocate sites for nursing homes, and also care homes with extra needs, which would currently fall outside the C3 use class. The Boroughs then need to allocate sites in their local plans.

Paragraph 2.18: Purpose-built student accommodation and other forms of shared housing

76. We welcome the recognition in the London Plan of the importance of purpose-built student accommodation (PBSA) to meeting the housing needs of Londoners and students. As mentioned in the consultation, PBSA can provide well-managed accommodation as an alternative to private renting which in turn frees up accommodation for others. We do not agree that it has the potential to crowd out other forms of housing and create areas lacking in character. Rather, PBSA supports the diversification of the housing market whilst also meeting a specific, identified need. The Mayors Growth Plan also notes the critical importance of students to London's prosperity and PBSA plays a vital role supporting London's world-class university sector.

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[10] The Town and Country Planning (Use Classes) Order 1987 (as amended 2025)

77. We do not agree that a blanket approach be adopted regarding quality, as this is not an issue across London, but instead recommend that decisions be based on a requirement for site allocations. This would ensure that PBSA contributes towards overall housing supply and decisions are taken at the borough level to maintain the quality of accommodation.

78. The consultation asks for views on whether nominations agreements are best suited to just the affordable student accommodation element of a development. We agree that yes, they are and should only apply to the affordable student homes. HE providers do not wish to be tied to the non-affordable element of a scheme and therefore by only applying nomination agreements to the affordable element, negotiations between providers and HE institutions would be fair more fluid.

79. The consultation queries how much of the affordable provision should be general affordable housing as opposed to affordable student housing. There currently exists a tendency to prioritise the delivery of conventional affordable housing over affordable student accommodation. This is at odds with the current London Plan policy H15 and the new London Plan should place greater emphasis on the delivery of affordable student housing. PBSA makes a valuable contribution to overall housing supply in London and there should therefore not be a requirement for conventional housing to be provided alongside PBSA.

Section 3: Growing London's Economy

80. BusinessLDN fully supports the Mayor’s commitment to grow London’s economy and maintain its global competitiveness and contribution to the UK economy. Economic growth as a dual priority of the new Plan alongside housing delivery is welcomed, as is alignment with the Government’s Industrial Strategy and the Mayor’s London Growth Plan.

Paragraph 3.1: The Central Activities Zone

81. As explained in respect of Paragraph 2.4 in the consultation, any discussion about the future of the Central Activities Zone (CAZ) must ensure it continues to function as the UK’s economic powerhouse and remain at the forefront of London’s global city offer. Whilst its distribution of land uses may have evolved over previous iterations of the London Plan, including a net increase in the number of residents living with the CAZ, demand for office space in the CAZ remains strong[11] and its commercial function must not be undermined.

82. The Agent of Change Principle (current Policy D13) has been extremely helpful in maintaining the CAZ commercial function. However, this is now contained in the National Planning Policy Framework (NPPF) and so does not need to be carried forward into the new Plan. More broadly, there remain pockets of the CAZ where there are tensions between residents and commercial activities and the levels of noise and disturbance that it is deemed acceptable for them to emit. It is for this reason that the balance between the continuing trend to increase the

[11] Five years on from Lockdown (Remit Consulting, 2025)

number of homes in the CAZ, and repurposing redundant commercial space, should be carefully managed.

83. As stated above in respect of Paragraph 2.4 of the consultation, we support a review of the CAZ boundary and an update on previous CAZ studies to understand the post-pandemic distribution of CAZ uses to ascertain:

    i. key areas for offices, trends in office take up and development, the extent to which occupiers are preferring single or mixed-use locations, and the role of policy in enabling a range of provision to meet different sectoral needs;
    ii. those parts of the CAZ which are actively being diversified to promote 24/7 activity;
    iii. those parts which are predominantly residential in character where additional housing could be targeted; and
    iv. secondary and tertiary office locations where redundant office space is likely to remain vacant and could be repurposed to meet other land use objectives.

84. This could result in a tier of land use designations that replace the existing CAZ, each with their own policy priorities. However, we consider that retention of the CAZ would be preferable in principle as it is a long established, effective concept that everyone is familiar with. Within that established CAZ framework, a more carefully nuanced policy approach could address points (i) to (iv) above, especially if a boundary review suggests some fringe areas should be removed to reinforce the commercial core and thus maintain the CAZ's global competitiveness.

85. A reduced CAZ could then be more strongly protected through increased use of Article 4 Directions to prevent Permitted Development office to residential conversions. To be effective, this approach would require proactive strategic policy, taking into account practical design and associated viability challenges, to incentivise such developments to come forward through the standard planning process.

Paragraph 3.2: Specialist clusters of economic activity

86. We welcome the recognition that some economic clusters are not supported adequately by the current London Plan and agrees that a new, flexible economic designation could support such clusters and ensure the strategic planning framework in the London Plan better aligns with the London Growth Plan. This is on the basis that any new designations meet the test of being of strategic importance to London's economy.

87. To be effective, the new London Plan should set out a clear framework for nurturing emerging and established clusters, particularly in innovation-led sectors such as life sciences, tech, creative industries and advanced manufacturing. Opportunity Areas (OAs) and the CAZ could provide a strong framework for identifying and supporting these clusters, enabling tailored planning, attracting investment, and prioritising infrastructure upgrades – including transport, utilities and digital connectivity – to underpin their growth and ensure each OA has its own distinct character and ambition to drive regeneration and growth.

88. New spatial designations should be proactively supportive and avoid becoming overly restrictive or deterring other forms of development. Instead, they should be geared toward fostering collaboration, attracting talent, and aligning with London's wider economic strategy. Crucially, recognition of clusters in the Plan must be linked to delivery tools, incentives and coordinated public-private investment to realise their full potential. For example, pooling S106 affordable workspace contributions to establish incubator hubs would be an effective way to support the clustering of growth sector start-ups and SMEs.

Paragraph 3.3: Town centres and high streets

89. We support the proposal put forward in the consultation that the London Plan should take a more flexible approach to the range of businesses and commercial activities present in town centres and high streets. Alongside a proactive policy approach to increase the number of residents living within, and around, town centres and high streets, this flexibility will ensure their commercial function remains strong, thus maintaining vibrant places and contributing to London's broader economy.

90. The next iteration of the London Plan should support and encourage boroughs to proactively explore repurposing underused commercial spaces, for both alternative commercial uses and housing. Specifically, the new Plan should require the boroughs to proactively plan for inner London logistics and allocate sites for last mile distribution centres to support the sustainable movement of goods around the city. Redundant, low quality commercial stock, located on the fringes of the CAZ, town centres and district centres, provides an ideal opportunity for this. Currently, such facilities are challenging to bring forward, both in terms of planning and viability. Forward planning and enhanced borough support could overcome these obstacles. By way of comparison, Paris has more centrally located logistics facilities compared to London, and this is as a direct result of public policy intervention.

91. Regarding the more detailed proposals put forward about town centres and high streets in the consultation:

    i. specifying design requirements for the ground floor of buildings in town centres and high streets is too granular for a spatial development strategy;

    ii. any policies that restrict specific uses within Class E[12], or any sui generis uses, should only be pursued where there is clear evidence that the policy addresses a matter of strategic importance that is appropriate for a spatial development strategy;

    iii. support for meanwhile uses should be encouraged including in units that have been vacant for an extended time (and beyond the London Plan, the GLA could maintain a register of meanwhile tenants looking for temporary space to provide an easy 'one stop shop' for boroughs and landlords); and

[12] The Town and Country Planning (Use Classes) Order 1987 (as amended 2025)

iv. a review of the town centre hierarchy would be welcomed to ensure it remains fit for purpose for the next Plan period.

Paragraph 3.4: Industrial Land

92. The last London Plan review marked a step change in the strategic protection of industrial capacity, the proposed introduction of the 'no net loss' principle (on an area basis rather than individual sites) and the emphasis on industrial *capacity* as opposed to land area or floorspace specifically. We fully supported these principles, and it was disappointing when the then Secretary of State for Housing directed the removal of the 'no net loss' principle from the final version of the Plan. All of these principles should be carried forward into the new London Plan.

93. However, whilst the current Plan has been effective at maintaining the status quo for industrial capacity, the new London Plan could go further. The fact remains that, due to significant housing pressures in the preceding two decades, London had already lost a significant portion of its industrial land. Furthermore, changes to Permitted Development Rights since the current Plan was published mean that light industrial uses, which play an intrinsic role in London's economic ecosystem, are at risk of being lost because they are not protected by policy. Against this backdrop, the nature of 'industry' is changing, and this should be reflected in new policy.

94. As the consultation rightly notes, industrial land plays a vital role in supporting London's economy, supply chains, key growth sectors identified in the London Growth Plan and moving goods into and around the city. In the context of the above challenges, the new London Plan needs to develop a more sophisticated approach to industrial capacity at a strategic level. The proposal in the consultation document to undertake a strategic assessment of industrial capacity, and allocate industrial capacity targets for each borough, is fully supported. In a similar way to the dissemination of London's annual housing target across the capital, this would enable a holistic assessment of the needs of London's economy and has the potential to be more effective than the current borough by borough approach.

95. It would also be helpful to have a more sophisticated strategic approach to London's Strategic Industrial Land (SIL) and Local Strategic Industrial Land (LSIL) designations which straddle local authority administrative boundaries and for the capacity study to take account of the complex relationship between London's economic markets and the wider South East.

96. This strategic approach to capacity will be particularly important given the Green Belt review and potential for land swaps between different land uses, most notably housing. As explained under Paragraph 2.6 in the consultation, simply protecting the status quo of industrial capacity does not necessarily mean that industrial activities are located in the optimum locations close to freight infrastructure (including arterial routes, rail and air infrastructure and water interchanges) or that the optimum quantum of land for new housing can be realised. Indeed, some of London's existing industrial land, particularly within SIL and LSIS designations, is based upon historic locations that are not optimal locations for modern needs, and they often overlap with OAs and growth corridors which are earmarked for the delivery of significant numbers of new homes and jobs. It is therefore not necessarily the most sustainable solution

to retain the historic status quo; instead, the spatial strategy needs to optimise the right uses in the right locations to achieve the Good Growth objectives and deliver the levels of growth that London needs to achieve its housing and economic targets.

97. Whilst such land swaps are in theory possible through the current Plan, formalising this process to a greater extent in the new London Plan, in the context of the Green Belt review and identifying grey belt for development, would bring clarity, support delivery, and help meet multiple strategic objectives. Any land swap proposals should be brought forward in partnership with the boroughs through their local plan reviews. This approach would ensure that land-use distribution is optimised in the most sustainable way and ultimately create a better spatial strategy outcome.

98. In respect of more detailed issues affecting industrial land:

i. we support the proposal to release out-of-town retail parks that are currently designated as industrial land and re-designate them for either one of the new economic designations suggested in Paragraph 3.2 of the consultation, or housing (via land swaps as per the above), provided that there is no net loss of industrial capacity;

ii. a policy framework that proactively encourages the relocation of light industrial uses into redundant office properties in town centres and high streets is encouraged, including a requirement for the boroughs to forward plan for inner London logistics and last mile distribution centres (as per Paragraph 3.3 of the consultation);

iii. Opportunity Areas, due to their significant growth in housing numbers, will also see huge increases in demand for last mile deliveries. Opportunity Area Planning Frameworks and Area Action Plans should therefore positively plan for this to ensure efficient and sustainable transport patterns that converge with the wider industrial and freight strategy for London; and

iv. there has been a growing trend in the capital to repurpose railway arches into a variety of commercial uses, and in some parts of London these provide excellent low-cost spaces for displaced light industrial uses and other small businesses, but some boroughs are not as supportive as others because they rigidly apply industrial protection policies. Recognition of the role that railway arches can play in strategic policy in the new Plan would ensure a more consistent and positive policy framework across the city that in fact supports London’s economic ecosystem.

Paragraph 3.7: Visitor economy

99. The proposal in the consultation document to extend policy support for purpose-built visitor accommodation more widely across the Central Activities Zone, in town centres and high streets is supported. Furthermore, we endorse the emphasis given to the positive economic benefits of hotels and visitors to the wider economy.

Paragraph 3.8: Digital infrastructure

100. Large parts of London's digital connectivity infrastructure are not performing at the level needed to drive business productivity and growth. Whilst progress is being made on the roll-out of full fibre to premises in London, still just over 54% of total London premises are covered. Mobile coverage is also patchy with areas of 'not-spots' in dense urban areas and varying bandwidth capacity where coverage does exist.

101. This issue is partly driven by local planning objections to the deployment of new digital infrastructure, such as masts, street cabinets, and underground works – as well as the high costs and logistical challenges of carrying out disruptive works in densely populated central areas. Zone One also has a far higher concentration of tall buildings compared to outer London boroughs, which can weaken signal strength for mobile. This problem is further compounded by exceptionally high user demand, leading to reduced overall bandwidth performance for traditional broadband based fibre connections.

102. Good progress has been made over recent years by network providers in deploying fast fibre through dedicated leased lines, particularly in the centre of the city, and measures to improve mobile connectivity and address not-spots, as well as by the GLA to develop the 'Data for London' strategy and revamp the London data store. However, there is still more to do to bring network operators, developers and local government together to improve digital connectivity infrastructure in the capital, address capacity constraints and network outages, and lay the foundations for the digitally enabled technologies of the future. The London Plan can also support adoption of new connectivity solutions by helping to raise awareness of the range of options available for businesses alongside traditional broadband offerings.

103. The new London Plan should also provide strategic policy support for digital infrastructure deployment and adoption as an enabler of future business growth to provide the framework for more detailed guidance to be brought forward on street works and access to street furniture, cabinets and exchanges for infrastructure deployment. See BLDN's response to the London Plan Digital Connectivity Infrastructure Guidance consultation for more information and specifics.

Paragraph 3.9: Access to employment

104. Through the London Plan the Mayor should move to end the boundary issues between boroughs which have undermined construction apprenticeships in London. Too often local procurement policies and S106 planning agreements make it difficult for an apprentice to move from one site to another, when the sites are in different boroughs. The Mayor should use the London Plan as a mechanism to knock-heads together and co-ordinate across boroughs to pool apprenticeships and apprentices, and ensure Londoners working in the sector are effectively deployed between projects.

105. The London Plan should align with the London Local Skills Improvement Plan (LSIP), led by BusinessLDN, to better match training provision to employer skills need, as well the emerging Inclusive Talent Strategy. The three documents must work together to ensure Londoners from all backgrounds are supported to access training and employment in all sectors including the construction and built environment industries.

Paragraph 3.10: Affordable workspace

106. The current London Plan introduced a new strategic policy (E3) seeking the provision of affordable workspace from commercial development in areas where a local authority has identified a need and considering the overall viability of development. The intent of policy E3 was to serve a broad range of business and sectoral needs, through policies that are area-focused, and to seek an extensive range of relevant social and cultural benefits, not just economic outcomes.

107. Since this policy was conceived, there have been structural changes in the commercial property market arising from the pandemic and there is predicted to be an increase in vacant commercial space in secondary locations. CBRE estimates[13] that by 2027 15.9 million sq ft of commercial space in Central London will return to the market due to large leases expiring, however only 9% of this space meets required energy performance standards. CBRE further estimates that upgrading the 11.9 million sq ft of inefficient office space to EPC A or B would cost approximately £370 million, equating to roughly £31 per sq ft.

108. The starting point should therefore be to gather evidence to ascertain if start-ups and SMEs are being better served by the market than was previously the case and whether there remains a need for an affordable workspace policy. It is also questionable whether affordable workspace should be a priority for planning gain compared to, for example, infrastructure investment in the absence of capital investment from central government.

109. If the policy is retained, it is important to understand that, in response to London Plan Policy E3, several boroughs adopted affordable workspace policies and in 2022 BusinessLDN undertook research[14], in partnership with DP9 and DS2, to investigate the effectiveness of the new policy approach. It became clear that there was a growing trend for local policies to set borough-wide objectives and the space that is often delivered is on-site, high-quality, Grade A office space in prime employment hubs. This space is not necessarily suited to the demands of the affordable workspace providers or the tenants in need of space in local communities. Furthermore, some of the affordable workspace tenants seeking a long-term lease at discounted rents in the new Grade A space are not necessarily the end users who were intended to benefit from the policy.

110. Through our research, BusinessLDN concluded that the misinterpretation of E3 was generally due to lack of knowledge and experience within the boroughs and that London Planning

[13] How much investment might be needed to upgrade Central London's energy inefficient office stock? (CBRE, 2024)

[14] Delivering Affordable Workspace in London (BusinessLDN, 2022)

Guidance (LPG) would be helpful to resolve this problem. As part of this London Plan review, if a form of affordable workspace policy is retained, then the existing wording of E3 and its explanatory text should be reviewed and, in the context of the Mayor's commitment to streamline the Plan itself, we urge the GLA to commit resource to publishing an affordable workspace LPG at the earliest opportunity.

111. If updating Policy E3 as part of the Plan review, the proposal put forward in the consultation document to standardise the approach to affordable workspace provision is not the right approach. Instead, the policy approach should continue to be locally led where there is evidence identifying need and demonstrating how provision can be tailored to local demand. The boroughs need support through LPG rather than standardisation which our report clearly demonstrated. Furthermore, the long-term costs on development for affordable workspace provision are significant and therefore it is vital that the maximum social and economic benefit is extracted.

112. BusinessLDN's 2022 report put forward seven recommendations to improve the drafting and application of local plan policies, many of which are directly relevant to the proposals set out in the consultation document:

i. *Better understand demand before introducing local policies*
The evidence base to support new policy needs to be more rigorous in how it analyses need and it should also be updated regularly. Fundamentally, a more consistent approach to evidence is needed across London, which could be achieved through the LPG to help boroughs better navigate the process.

ii. *Improve the viability testing process*
The full cost/benefit of the S106 planning obligation must be more accurately portrayed in the plan-making phase as market evidence becomes more available. Where site specific viability is undertaken, similarly, testing should recognise the likely full cost of the obligation by reference to the likely rental levels achievable, the cost of incentives and contributions and the impact of the workspace lease on the yield.

iii. *Greater flexibility to deliver off-site provision or payments in lieu*
Off-site delivery often provides the optimum outcome for all stakeholders. Opportunities to create agglomeration benefits and collaboration within buildings and hubs are enhanced. It can work particularly well where a developer has multiple holdings across a portfolio. Alternatively, payments in lieu can be pooled from several developments for local authority led affordable workspace hubs, to subsidise market rents rather than provide physical space, or to provide financial support for existing affordable workspace facilities that are vulnerable, or at risk, because of other market forces. Recognition in the consultation document for the benefits of these alternative options to on-site provision is therefore welcomed.

iv. *Applying affordable workspace policy to other Class E uses*
Where conventional affordable workspace needs are already being met through lower cost space in the local market, there could be greater flexibility to broaden the range of uses that can be delivered to be more responsive to market conditions and bring

greater benefits for placemaking. The Lendlease regeneration scheme at Elephant and Castle is a successful case study in this regard whereby existing local Class E businesses were given the opportunity relocate to new units at discounted rents and terms in a borough which had already secured extensive office and light industrial affordable space. Where a borough wants to take this approach, they should develop a clear hierarchy of planning gain priorities according to local need and taking account of the imperative for infrastructure investment.

v. *Striking the right balance between quantum of affordable workspace and the level of discount on rent*
The LPG should encourage local authorities, and their policies, to better understand this relationship and allow for flexibility for variable percentage levels of floorspace and variable percentage levels of rental discount depending on a location's needs and changes in the market. A cascade mechanism can be used in the S106 agreement to ensure the scheme is responsive to market conditions. These are not factors that should be defined by a London-wide policy as suggested in the consultation document.

vi. *Aligning lease terms*
When affordable workspace is provided on-site, the optimum approach is to align the affordable workspace lease with the main occupational lease so that the building becomes available for refurbishment in its entirety. Again, the London Plan should not define how long the workspace should be affordable for on a London-wide basis, as suggested in the consultation document.

vii. *Management issues and implications for architectural design*
The LPG should also cover the design and fit-out expectations for on-site affordable workspace. It would be helpful to understand key design requirements and typical sizes for different affordable workspace typologies, including indicative employment densities. Longer term flexibility should be built in to allow subdivision for different sized organisations.

113. Finally, experience with industrial and warehousing development has demonstrated that delivering affordable workspace in this sector is more challenging for practicable, management and viability reasons. These uses should be excluded from the affordable workspace policy in the new Plan.

Section 4 - London's capacity for growth and design quality

Paragraph 4.1: Building height and scale

114. As stated above in respect of Paragraph 2.7 in the consultation, the strategy in the current London Plan to increase housing supply by optimising delivery from small sites, particularly in suburban areas in the Outer London Boroughs, has not delivered the level of development originally anticipated even after expectations were lowered during the examination process. Despite this, there remains huge potential in exploring the additional contribution that both

small sites and densification of the suburbs can make towards increasing London's housing supply and growth generally.

115. Given there has been varying levels of ambition across the boroughs with regard to densification, and given the significant uplift in London's housing target, a more interventionist approach is required such as developing London-wide design codes setting out height and density expectations for different types of locations and their levels of accessibility. This would ensure strategic direction on applications that do not fall under the Mayor's remit and raise the bar for a consistent level of ambition across London as a whole.

Paragraph 4.2: Tall Buildings

116. Current London Plan Policy D9: *Tall Buildings* should be updated as part of this review. The ambition of this policy was weakened during the previous examination and needs redress. The definition referencing six storeys should revert to previous iterations which described a tall building as one which was significantly taller than prevailing building heights, thus making the policy equally relevant to the City or an outer London town centre. If it is deemed necessary to specify a minimum height reference, this should be consistent with the referable application criteria listed in the Mayor of London Order 2008 – i.e. 30 metres.

117. Part B (3) of D9 also dampens ambition by stating, *"Tall buildings should only be developed in locations that are identified as suitable in Development Plans"*. This has been interpreted by some boroughs as needing to allocate specific sites rather than locations and, as noted in the consultation document, some boroughs have failed to identify any locations at all. Anecdotally we are aware that Policy D9 as currently worded can be used effectively to block tall building proposals where decision makers choose to take this approach. This is holding back the effectiveness of D9 as a means of densifying London in appropriate locations.

118. The new Plan should take a more proactive role in supporting tall buildings in suitable locations. The tall buildings policy should be updated to include criteria against which locations should be assessed as well as the criteria for assessing individual proposals. It is considered that the Plan does not need to go so far as to identify actual tall building clusters, rather identify the *types* of locations that should be deemed acceptable.

Paragraph 4.3: Supporting a denser London linked to transport connectivity

119. Transport and housing are intrinsically interlinked. New bus and river services, expansion of electric vehicle infrastructure, as well as key projects such as the extension and upgrade of the Bakerloo Line, the DLR extension to Thamesmead and the West London Orbital can significantly boost capacity for new homes in large parts of London.

120. We have long called[15] for London to have powers to make its own transport decisions through devolution of local rail services to transport authorities similar to TfL's London

[15] London as an Engine for Growth, (BusinessLDN, 2024)

Overground model. Investing in the feasibility of 'Metro'-like suburban rail frequencies to support increased suburban housing densities is therefore fully supported.

121. With regard the proposal to replace PTAL with *"a new connectivity metric"*, this is supported. In the past, PTAL has provided a somewhat useful tool in density discussions, but it is a product of its time. PTAL proved useful when looking at access to multi modal public transport services, but it relied solely on distance to services. With the advent of AI, and in the context of significant progress in digital technology, it now feels overly simplistic and there is enormous scope to bring forward a more sophisticated tool. Reliability and journey times are equally important when it comes to connectivity and the new metric should reflect these.

Paragraph 4.4: London's heritage

122. The Government's National Development Management Policies (NDMPs) are expected to cover heritage matters and also retrofitting. Consultation is expected in the second half of 2025 and the ambition is for these to be operational by the time the full draft new London Plan is published. In the interests of streamlining the new London Plan, heritage matters should only be covered where they deal with London-specific strategic matters.

123. One policy area which satisfies this test would be the cumulative impacts on the four UNESCO sites in the capital. Strategic oversight of such cumulative impacts is imperative, especially as impacts will likely cross borough boundaries and especially given the recent concerns raised by UNESCO on the setting of the Tower of London and the risks posed to its status as a World Heritage Site.

Paragraph 4.6: Heat risk, ventilation and overheating

124. The national policy and regulatory context for these matters has materially changed since the current London Plan was conceived. National Building Regulations have been updated, and from a planning policy perspective, these topics are expected to be covered by the Government's National Development Management Policies (NDMPs). Policies in the London Plan should not exceed national standards, as doing so risks disincentivising development in the city.

125. Given the Mayor's commitment to streamline the new London Plan, and this national context, bespoke policies on ventilation and overheating should not be carried forward into the new Plan.

Paragraph 4.7: Homes for families

126. The new Plan should maintain the current policy position for the boroughs to plan for family housing requirements in their local plans. Some of the suggestions in the consultation document are too detailed and prescriptive for a London-wide spatial strategy.

Paragraph 4.8: Accessible housing

127. The new Plan should maintain the current policy position. Including some of the more detailed requirements suggested in the consultation document would go further than national policy and be overly detailed and prescriptive for a London-wide spatial strategy.

Paragraph 4.9: Space standards and other requirements

128. When considering residential design standards, it is important to note that building floorspace efficiency has reduced in recent years due to the need to provide a secondary means of escape on buildings of 18m or 7 storeys and above. Any prescriptive design standards that further impact on floorspace efficiency need to be assessed holistically to understand their impact on development viability and thus a scheme's ability to meet other strategic objectives.

129. The London Plan should continue to opt in to the Government's Nationally Described Space Standard (NDSS), but it is imperative that any other housing design standards are expressed as guidance that developers should seek to achieve wherever practically possible. They should not be treated as policy and applied mechanistically and rigidly.

130. One additional consideration where it would be worth adding more detail is a requirement for all large schemes containing 150 homes or more to provide a parcel pick-up and drop off point. This is to support the last mile logistics strategy outlined elsewhere in our response.

Paragraph 4.10: Designing for everyone

131. BusinessLDN supports the Mayor's aspiration for new developments to be designed to be inclusive for London's diverse population. Design review panels are the most appropriate means for this. Any detail needed to inform project reviews should be set out in London Plan Guidance and is not a matter for inclusion in the main Plan.

Section 5: London's infrastructure, climate change and resilience

132. The new London Plan must strike the right balance between being ambitious and futureproofing the capital's built environment, while avoiding unnecessary duplication of national policy or going significantly beyond it. At a time when development costs in London are already high, and in some cases prohibitive, there is a real risk that additional local policy burdens could further impact viability, discourage investment and slow down delivery. To be effective, the Plan should simplify the policy landscape by aligning with national standards wherever possible, ensuring clarity for developers and reducing complexity without undermining sustainability objectives.

Paragraph 5.1: Energy efficiency standards

133. The London Plan approach to energy efficiency standards should focus on consistency with national requirements, allowing forthcoming NDMPs and updated building regulations to take the lead in driving improvements. This approach helps simplify the policy landscape, prevents duplication, and provides clarity for developers, ensuring London's policies complement, rather than conflict, with wider regulatory frameworks.

Paragraph 5.2: Heat networks

134. The consultation's proposal to align with the Government's Heat Network Zoning plan is sensible. However, to support applicants aiming for decarbonisation and net zero, it is crucial that no new developments are mandated to connect to existing gas-fired heat networks. As new developments move towards being all-electric, the decision on heat solutions should rest with the developer to ensure flexibility and innovation in achieving the best low-carbon outcome.

Paragraph 5.3: Whole life-cycle carbon (WLC) and Circular Economy (CE)

135. Planning policy must aim to provide greater clarity and consistency in decisions around building retention versus demolition, helping developers, investors, and local authorities navigate what can often be a complex and uncertain process. A "retrofit first but not retrofit only" approach is critical, offering a clear preference without closing the door to redevelopment where appropriate. Standardising the optioneering process at pre-application stage and the decision-making process could improve certainty across the system. However, we expect this matter to be covered in the forthcoming NDMPs, and it is important that any new policies in the London Plan do not duplicate what is already set out in national policy. Alignment at all levels of government will provide the clarity and certainty needed on this crucial issue.

136. Similarly, greater standardisation is urgently needed in London's carbon offsetting programme and the calculation of embodied carbon. The GLA should lead by establishing consistent, up-to-date standards for embodied carbon measurement. As noted in section 5.2 of the consultation, boroughs currently use varied and often outdated methodologies and benchmarks, many of which significantly underestimate embodied carbon.

137. London's current carbon offsetting system suffers from major flaws: inconsistent carbon pricing – with some boroughs like Westminster imposing punitive rates disconnected from actual offset costs; poor transparency and weak governance over the use of offset funds, reducing them to a carbon tax rather than genuine offsets; and insufficient recognition of renewable Power Purchase Agreements (PPAs) as a clean energy solution. To resolve these issues, the GLA should introduce a consistent, evidence-based carbon pricing framework across London via the new London Plan, require local planning authorities to transparently report on offset fund allocation and expenditure through S106 planning obligations, and incentivise renewable PPAs by mandating their inclusion in operational carbon offset

calculations – potentially exempting projects with PPAs from offset payments – to ensure a more consistent and credible path to net zero.

138. As put forward in our report on carbon offsetting[16] last year, in London LPAs could pool their available funds through the existing sub-regional partnership. Through economies of scale and greater collaboration, these partnerships would stand a better chance of creating and delivering a long-term portfolio of decarbonisation projects. The GLA should facilitate collaboration between sub-regional partnerships to start pooling contributions and ensure the money is being utilised effectively.

Paragraph 5.4: Waste

139. Energy from Waste is strategically important infrastructure. The new London Plan should make use of robust data and information to model London's future waste requirements and ensure that waste is not exported from London unnecessarily when it can be converted for alternative uses such as energy and heat.

140. Waste management should be acknowledged as a key component of the circular economy and incorporated into the infrastructure needed to support the commercial and housing growth envisioned in the upcoming London Plan.

141. The new London Plan should also proactively provide for the full spectrum of waste management infrastructure required to ensure the city's energy self-sufficiency. This will also enable the private sector to deliver comprehensive, innovative, and sustainable waste solutions that align with London's growth ambitions and environmental objectives.

Paragraph 5.6: London's open spaces

142. In developing a new policy approach to London's open space provision, the consultation document rightly acknowledges the role that golf courses should play in London's green infrastructure network and whether there is any potential for release for housing. A criteria-based assessment should be undertaken of the 37 golfing sites across London (of which 20 are located in MOL) to understand the economic benefits they each provide for their local area and the level of accessibility and amenity value they provide for the local community. This would allow grading of each golf site for repositioning, repurposing or relocating (potentially via strategic land swaps). BusinessLDN members would be able to provide further data and strategic evidence of the golf sites operating in London to help inform an evidence-based criteria assessment and help shape the wording of the proposed new policy.

[16] Blueprint for a Business-led UK Collective Offsetting Fund (BusinessLDN, 2024)

Paragraph 5.8: Water
Paragraph 5.10: Flood risk management
Paragraph 5.11: Water management

143. For London to remain globally competitive and resilient to the impacts of climate change, significant investment in new and existing infrastructure is required. Nowhere is this need more apparent than in the water sector where, according to the 2024 London Climate Resilience Review, the city is not prepared for future surface water flooding incidents which pose a lethal risk to Londoners[17].

144. Current regulatory frameworks fail to incentivise long-term integrated, catchment[18]-based partnerships, based on an area of land through which water from any form of precipitation drains into a body of water, between government, local authorities, water companies and wider businesses with shared interests. This results in fragmentation and an inability to create scalable investment opportunities.

145. The London Plan has a key role to play in creating a strong, flexible framework that supports new investment in the water sector and improves flood resilience. We welcome the inclusion of the London Surface Water Strategy 2024 as an important step in this direction. For the strategy to be effective, collaboration will be essential - water utilities, boroughs, environmental organisations, and community groups must all contribute to delivering the strategy's recommendations.

146. We recommend that the London Plan aligns closely with the Thames Estuary 2100 Plan, which sets out a clear pathway to address the risks of ageing river defences and unlock further investment in flood resilience.

147. The GLA should consider the forthcoming Cunliffe Review of the water sector. Understanding its findings - and their implications for London - will be essential to shaping policies that support the London Plan review's long-term objectives.

Paragraph 5.9: The strategic importance of London's waterways

148. Whilst there has been noticeably increased activity on the River Thames over the last few years, both on the passenger and freight fronts, it is evident that more action is needed to untap the river's full potential to carry increased passenger numbers and to enable the transfer of freight from road to river in the interests of reducing traffic levels and carbon emissions.

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[17] London Climate Resilience Review (2024) https://www.london.gov.uk/programmes-strategies/environment-and-climate-change/climate-change/climate-adaptation/london-climate-resilience-review

[18] A water catchment is an area of land through which water from any form of precipitation (such as rain, melting snow or ice) drains into a body of water (such as a river, lake or reservoir, or even into underground water supplies – 'groundwater') Ofwat (2011) https://www.ofwat.gov.uk/wp-content/uploads/2015/11/prs_inf_catchment.pdf

Paragraph 5.12: Transport's role in London's growth

149. Along with affordable housing, the prioritisation of transport improvements for financial contributions from developers is supported.

150. London will only be able to meet its new housing target with capital investment from the Government for infrastructure delivery. Key projects that are ready to move to implementation stage and could unlock significant housing numbers include The Bakerloo Line Upgrade and Extension, the DLR extension to Thamesmead and the West London Orbital. Crossrail 2 has enormous potential but remains at a more conceptual stage.

151. We understand that the GLA is undertaking more detailed appraisals to ascertain the level of growth that each of these infrastructure projects has the potential to unlock. This will be vital work to understand the achievability of the new housing target of 88k new homes per annum if the capital investment needed is not forthcoming from the Government.

Paragraph 5.13: Sustainable transport networks to support growth

152. The capital needs a well-integrated transport network that caters for the needs of all Londoners, including:

   i. a congestion charging regime that recognises the importance of essential traffic, including taxis, private hire and freight, and ensures a level-playing field between these modes when introducing future road user charging policies;
   ii. close liaison between TfL, bus operators and local authorities to ensure good public transport connections within London, including measures such as bus priority programmes, to reduce journey times and increase ridership; and
   iii. streamlined planning approval processes to enable the introduction of new river services.

Paragraph 5.14: Car parking, cycle parking and deliveries

153. The current approach to cycle parking provision set out in Policy T5: *Cycling* and accompanying Table 10.2 needs an overhaul. Some of our members are gathering survey data of their developments (both residential and commercial) to ascertain the level of demand in different locations; the survey results will not be available during this current consultation period but will be provided in due course to help inform new standards. In the meantime, research by the City Property Association[19] includes some useful statistics in respect of recently occupied office developments in the City.

154. Anecdotally, the current standards result in vast cycle stores that significantly exceed demand. It is often necessary to provide such stores in an excavated basement, which carry significant carbon cost, as well as significant financial cost, thus impacting a scheme's

[19] https://www.citypropertyassociation.com/cycling-the-city/

sustainability credentials and its viability, in turn also impacting its ability to meet other strategic priorities such as affordable housing or affordable workspace provision.

Paragraph 5.15: Responding to transport trends and new technologies

155. The policy framework in the new London Plan should contain sufficient flexibility to enable the capital to embrace emerging transport technologies such as autonomous vehicles (AVs), drone use and urban air mobility, AI-driven mobility solutions, and smart infrastructure. It should encourage and support new pilot projects, such as the recently announced Wayve-Uber partnership, within defined safety frameworks to test real-world applications.

156. It is important, however, that these innovations are appropriately managed so that they align with London's goals for sustainability, equity, and reduced car dependency. Planning guidance should consider incorporating digital infrastructure, EV and AV charging provisions, and adaptable street design into new developments.

Paragraph 5.16: Fire safety

157. We support the approach outlined in the consultation regarding the national regulatory framework.

Paragraph 5.17: Air quality

158. The Mayor has made significant progress in improving air quality in London. Since the current London Plan was conceived, the importance of air quality and the approach to it has been established through the NPPF and PPG. There may be a role for a more streamlined policy in the new Plan, but on the whole air quality is considered to be adequately covered at the national level.

Paragraph 5.18: Heat risk

159. The London Climate Resilience Report highlighted the need for a pan-London strategy to address rising heat risk across the city. We support this ambition; however it remains to be seen whether the London Plan is the most appropriate vehicle to address this issue directly. Instead, a national heat risk strategy may be the most effective method of tackling this issue at a strategic level. However, if it is undertaken within the London Plan then a holistic approach must be taken, recognising the close links between heat risk, energy efficiency, building design and the public realm. This approach must be joined up, avoiding unnecessary duplication of policies across different parts of the Plan.