



West London Small Sites SHLAA

Non-Technical Summary
West London Alliance
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WEST LONDON ALLIANCE

Small Sites SHLAA For West London

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Contents

1. INTRODUCTION.....	1
2. SMALL SITES POLICY	4
3. PART A: CRITIQUE.....	5
4. PART B: DELIVERABILITY.....	17
5. RESEARCH FINDINGS AND RECOMMENDATIONS.....	20
6. COMPARATIVE ANALYSIS	23

1. Introduction

Purpose and context for the study

- 1.1 The West London Alliance (WLA) commissioned Troy Planning + Design to critique the approach to Small Sites as set out in Policy H2 of the draft London Plan (December 2017). This is the non-technical summary of that research and supports the WLAs responses to Inspector's Matters at the forthcoming Examination in Public (EiP) of the draft London Plan. It supports the combined view of the WLA boroughs that the approach taken to small sites in the draft London Plan is unsound.
- 1.2 The WLA is a partnership between the seven West London local authorities of Barnet, Brent, Ealing, Hammersmith & Fulham, Harrow, Hillingdon and Hounslow ('the constituent boroughs' or "West London Boroughs'). With the exception of LB Hammersmith and Fulham the remaining boroughs are all classified as 'Outer London Boroughs'.
- 1.3 The geography of the WLA is significant in planning terms. The area is amongst the largest formally constituted joint working areas in the United Kingdom. Collectively, the proposed housing targets in the draft London Plan 2017 equate to around 24% of the total minimum housing delivery required in the capital for the next ten years. This is excluding the substantial capacity for development enabled by the Old Oak and Park Royal Development Corporation (OPDC), which also forms part of the WLA. Successive iterations of the London Plan have reflected support for large-scale regeneration within the WLA area and growing targets for housing delivery on identified sites and development allocations. The vision of the WLA is to support 'West London' as a thriving and prosperous part of the capital.
- 1.4 The draft London Plan is based upon the concept of 'Good Growth'. This needs understanding as it sets the context for all policies that follow in the Plan, and how these should be interpreted.
- 1.5 The Good Growth concept attempts to mould a city that is a pleasant place to work, visit and stay. It also aims to deliver a balanced mix of young and old residents, housing tenures and jobs. Good Growth attempts to enrich the city's public and civic spaces, allowing for vitality and change to build on the character and appeal of London. Another aim of Good Growth is to provide integrated infrastructure and services. The qualities of Good Growth include demonstrating an understanding of local character and can be secured through measures such as setting and applying development standards and ensuring the quality of design outcomes. While the concept is diverse it is fundamentally a core objective of the emerging London Plan. Its application in practice is therefore relevant to assessing the effectiveness of all policies in the London Plan, including the proposed approach towards development on small sites and understanding its potential wider impacts on the Good Growth theme.

Report Structure

- 1.6 The main research report is split across two different parts, the first (Part A) presenting a critique of the method and assumptions underpinning the small sites targets, and the second (Part B), presenting interrogation of the data underpinning the approach taken by the GLA, and, by extension, consideration of delivery factors.
- 1.7 The two parts of the research combine to conclude that the approach taken, and the policy requirements established in the draft London Plan, are not suitably evidenced nor justified, and that the scale of growth that boroughs are expected to deliver on 'small sites' is not deliverable. By any measure or means of delivery the annual housing target in the draft London Plan is vast and is challenging. The small sites target represents a significant increase over historic trends but there is no evidence that the draft London Plan (particularly Policy H2) will facilitate delivery of these targets.
- 1.8 The findings of the main research report are summarised in Sections 3 and 4 of this Non-Technical Summary.

Engagement with the WLA Boroughs

- 1.9 Data from all seven constituent boroughs in the West London Alliance was made available in Part A of the study (Critique) to help provide a statistical background, inform the scope of the project and to determine the most appropriate approach to be taken for reporting findings, although Hammersmith and Fulham Council are not part of the final study. This is because the nature of the Small Sites methodology and modelled approach is more directly relevant to the outer London Boroughs, which excludes Hammersmith and Fulham as it is classified as an inner London borough.
- 1.10 Each of the constituent boroughs submitted representations to the December 2017 consultation on the draft London Plan expressing a range of concerns on the approach to preparing draft Policy H2 and the draft policy itself. The West London Alliance boroughs taking part in this study agree that undertaking the work for this project has helped to explore concerns regarding the GLA's approach to small sites and small housing developments in the draft London Plan. They also agree that the early stages of this project outline a robust assessment of the GLA's small sites methodology to prepare the 2017 SHLAA. On the basis of the approach taken and issues identified each of the constituent boroughs continue to assert that their representations to the draft London Plan and continue to express legitimate soundness concerns.
- 1.11 The WLA boroughs taking part in this study recognise that the initial assessment of issues in this project sets the framework for more detailed analysis. This provides an appropriate basis to highlight more specific implications for the development of small sites at the level of individual boroughs. In doing so, this provides a means to explore the key themes of capacity,

delivery and by extension the impacts of the proposed approach in draft Policy H2, albeit the core issues with soundness exist notwithstanding the ability to present further findings.

- 1.12 The WLA boroughs taking part in this study agree that the subsequent methodology to the subject study for more detailed analysis has taken a proportionate approach to most clearly reflect key areas most relevant to West London as a whole. At the level of individual borough geographies this may mean that the principles being explored are different and may not apply equally in each case. It should be noted that the same position would also apply if the geography of any individual borough was explored at decreasing scales, down to the level of individual areas or neighbourhoods.
- 1.13 This does not mean that further challenges do not exist with the development of small sites and the fundamental principles of a forecast approach. At lower spatial resolutions, the proposed approach could lead to difficulties in applying the presumption in favour of small housing developments in practice. Aspects such as the 25-unit threshold being high in the context of the borough are adequately highlighted in existing representations. These potential impacts exist alongside other barriers to maintaining past trends in 'remaining windfall' development such as controls over Permitted Development that will make the small sites target difficult to achieve.
- 1.14 As a result it is felt that these specific concerns, which are more qualitative in nature, have been affirmed by the initial approach to this assessment and that it is legitimate and appropriate to focus presenting further findings through quantitative analysis on the remaining boroughs (apart from Hammersmith and Fulham) where comparisons are more directly relevant to the outputs of the GLA's modelled approach.

2. Small Sites Policy

- 2.1 The approach to small sites in the draft London Plan is set out in Policy H2, 'Small Sites and Small Housing Developments', and supporting text alongside this, particularly that in paragraphs 4.1.7 through to 4.2.13. The research commissioned by the WLA is focused on this, but also recognises and considers Minor Modifications to the policy approach issues in August 2018 as part of the EiP process for the draft London Plan. The draft policy combined with proposed modifications is set out in Section 1 of the research report.
- 2.2 In summary, Policy H2 introduces, for the first time in the London Plan, a specific target for delivery of housing on 'small sites'. Small sites are defined as those which are below 0.25 hectares in size and which may provide between one and 25 homes.
- 2.3 Until now, the approach to small sites has been to apply projections based on past rates of delivery and which are assumed to remain a relatively stable component across future years. This approach is commonly used to calculate potential future development from 'windfall' sites.
- 2.4 The approach to small sites outlined in Policy H2 and the associated targets are based on a 'modelled' approach to estimate future supply. The approach taken to generate the estimates of future supply from small sites, and the assumptions underpinning this approach are of concern to the WLA and form the basis of the research undertaken.
- 2.5 The small sites targets for the constituent boroughs in the WLA are set out in Table 1. This indicates the substantial increase in the small site targets compared to the previous London Plan.

WLA / Individual Borough	Small Sites Target 2019-2029	% of Total Housing Target	% increase from 2013 London Plan SHLAA
Barnet	1,204	38.4%	268.2%
Brent	1,023	35.1%	289%
Ealing	1,074	38.3%	256.8%
Harrow	965	69.3%	284.5%
Hillingdon	765	49.3%	339.7%
Hounslow	680	31.2%	322.4%
WLA total	5,711	40.8%	286.7%

Table 1: The Small Sites targets for each of the WLA boroughs

3. PART A: Critique

3.1 Beyond the introductory section of the research, Part A is presented across eight further sections. The key messages are summarised below.

Section 2, 'Structure of the Critique':

3.2 This section outlines the overall framework, structure and approach to the critique. As outlined and discussed in more detail below, the work involved review of background material, including policy approaches and other literature, workshops with local authority officers in both policy and development management, surveys of the development industry, interrogation of the SHLAA 2017, the method used and data sources underpinning this.

Section 3, 'Overview of WLA Concerns':

3.3 This section presents an overview of the concerns identified by both the West London Alliance and the seven boroughs individually in their representations to the draft London Plan. It represents an initial summary of engagement to-date and technical matters relevant to a critique of the overall capacity for the development of 'small sites' in the context of west London. In summary, the key concerns expressed jointly by the WLA boroughs are:

1. **SHLAA Method and Engagement:** The boroughs have not had an input into the method used to calculate the small sites target. The method is considered to be flawed, it is not reflective of local circumstances and realistic rates of delivery, and boroughs were not provided with an opportunity to suggest alternatives. In particular:
 - a. The methodology does not justify the modelled approach for some development types and historic trends for others, contrary to the NPPF and Planning Practice Guidance, advising that weight should be attached to historic trends.
 - b. Explanation as to the specific inputs used as assumptions for the small sites model are lacking, with little evidence, if any, provided to substantiate the 1% growth figure in the model, nor how policy changes might impact upon this.
 - c. Application of the model to areas of housing, as opposed to flats, penalises those locations where housing predominates, and ignores the potential for conversion or intensification of flatted development for which there is a demonstrable history of delivery.
 - d. The estimates of supply from small sites appear to incorporate an element of double-counting, and do not factor in stock that has already been intensified.

2. **Past trends:** Past trends are favoured as a more accurate indicator of supply, though this is not without qualification – using such an approach implies the same level of capacity will exist now and in the future, whereas, in reality, opportunities could actually be depleting, although, at the same time, it is recognised that there could be scope to increase delivery, through changes to planning policy, for example. However, it is considered that the approach used by the GLA significantly over-estimates potential from Small Sites, with the approach used in the SHLAA not taking into account constraints such as flood risk, infrastructure, physical barriers or local character, nor whether or not there is any scope to reduce any existing policy barriers to boost delivery.

3. **Achievability:** The boroughs have put in significant resource to help evidence and identify small sites (partly through this study) but further additional resources are likely to be needed to increase small sites output and the importance of the Mayor's Homebuilding Capacity Fund for West London boroughs is recognised in this. In particular, the need to prepare area-wide design codes does not reflect the resource implications and tools necessary to do this at the scale of growth envisaged. Rather, intensification is likely to continue to come forward through windfall and is dependent on the motivation for home owners to bring forward opportunities. This undermines the plan-led system and conflicts with Article 4 Directions removing permitted development rights for office to residential development (specifically encouraged in the draft London Plan) – a source that has contributed to supply in recent years in lieu of other opportunities. Concern has also been expressed that the presumption in favour of small sites will compromise efforts to bring forward large scale regeneration opportunities, although the proposed Minor Modifications to policy H2 have attempted to address this.

4. **Development factors:** It is contended that the assumptions do not consider all factors that will impact upon and reduce the estimated targets for small sites. These are wide ranging and include:
 - a. depletion of supply;
 - b. insufficient SMEs to develop at the scale and rate required;
 - c. the desire of existing homeowners to stay in their properties and maintain them as they are, or extend and remodel rather than move;
 - d. an increasing number of de-conversions working against any gains from intensification; and
 - e. local and political opposition to intensification.

3.4 These issues are developed and substantiated through the research, including the literature review (in Section 4) and analysis of the approach used in the GLA SHLAA (sections 5 to 7). Reference is also made back to these comments in later sections of the Critique, including

Section 8, which considers the relationship between the small sites target and borough planning policy, and, in Section 9, other factors that affect capacity, including, for example, the presence of concealed households, which is of particular note in west London give the social demographics of the area.

Section 4, 'Literature Review':

- 3.5 This section sets the context for a detailed review of the GLA SHLAA 2017. The extensive list of sources identified for the review illustrates the existing nature of wide-reaching discussion on the factors affecting the development on 'small sites'. Whilst some of the information is of a general nature, greater specific focus is placed on evidence that specifically takes account of relevant issues in the context of West London.
- 3.6 The key findings of the literature review substantiate areas of concern about the SHLAA methodology and the need to address in greater detail the capacity for development on 'small sites' and the factors affecting delivery. The key findings are summarised as:

- 1. *Understanding character:*** Although the draft London Plan recognises that the character of places may change over time, importance is also attached to understanding local character and that proposals for Good Growth should respond to this. Much of west London is strongly defined as being 'Metroland', the features of which continue to remain in generally high demand and exert a significant influence on local character. In relation to the GLA SHLAA, the character map underpinning this remains directly relevant, and has been used to inform capacity estimates on large housing sites.

It is recognised that use of the character map is linked with public transport accessibility (PTAL). This is a complex area. PTAL and character are used within the modelled approach employed in the GLA SHLAA to inform the Small Sites estimates, but PTAL can only be considered as one measure of connectivity and, in places like West London, the built form, location and spatial distribution of employment and other opportunities equates to higher propensity for car use and lower uptake of public transport.

There are various reasons for this, as explained in the main report, but the issue is that the modelling assumptions used by the GLA represent a very specific application of PTAL data and relationship with character, and have limited regard to local nuances. This is further exacerbated through the presumption in favour of small housing developments in policy H2, which is triggered where a site is either in an area with a PTAL of three plus, or where a site is within the 800m distance of a station or a town

centre, rather than where both factors apply. This ignores the reality of the actual potential to support intensification, the prevailing character of an area and physical barriers to access.

2. **The development process and SMEs:** Although policy H2 seeks to support and boost activity from SMEs, there is limited testing of how activity can be expected to change and over what timeframes. Issues such as access to land and finance, uncertainty over the section 106 process, and different approaches to development management between boroughs remain barriers to SMEs. Whilst policy H2 encourages flexibility for SMEs in a number of areas when collecting CIL payments, these provisions have not been tested through the GLA 2017 SHLAA, particularly in terms of how this might lead to increased rates of development.
3. **Implementing planning permissions:** The research shows that a significant proportion of all planning applications go unimplemented. Previous research from DCLG points to a gap of around 30-40% between the number of permissions given for housing and starts on site within a year.

This represents a key issue of concern with regard to the modelled approach taken by the GLA to the estimate of small sites. The '1%' growth model (as discussed elsewhere) acts as a proxy for existing dwelling stock coming forward for intensification and is a measure of supply. However, in the context of policy H2 and Table 4.2, these are targets for the delivery of new homes. The targets are inflexible as they do not allow for the rate of non-implementation or matters outside the control of the boroughs.

4. **Suburban intensification:** The assumptions for modelling are independent from and not linked to support from the potentially necessary policy mechanisms (or changes to legislation) explored within the evidence base for suburban intensification. This casts doubt on the deliverability of modelling outputs in isolation and the extent they can be justified in suggesting a significant departure from the past levels of delivery and with insufficient safeguards on the reliability of future supply.

Approaches to suburban intensification developed as part of the draft London Plan (see, for example, *Supurbia*, and subsequent report, *Supurbia: Semi-Permissive*), outline potential opportunities and the scale of this, but note that pilot schemes need testing before applying to a broader geographic scope. No pilot testing has yet been carried out to test these assumptions. These approaches also assume that the uplifts in value generated would help overcome the barriers to the availability and delivery of such opportunities. But this does not reflect the variation in land values across and within the boroughs, character of area or use of the housing stock.

Section 5, 'Principles of the Proposed Small Sites Target', and Section 6, 'Understanding the GLA SHLAA 2017 Findings':

- 3.7 Sections 5 and 6 of the Part A report can and should be read together, as they investigate the approach used in the GLA 2017 SHLAA. This is set in the context of the NPPF (in particular, para 48 of the 2012 NPPF, which will be used for Examination purposes), which establishes the guiding principles for soundness in terms of the reliability of the supply and evidence of sites consistently becoming available.
- 3.8 Section 5 sets out our understanding of and illustrates the nature and extent of targets for the development on 'small sites' outlined at Policy H2 of the draft London Plan. This has involved an evaluation of the methodology for the GLA 2017 SHLAA used to generate the 'small sites' target for individual boroughs. This includes taking account of the timeframes for preparing the GLA 2017 SHLAA methodology and engagement with individual boroughs. It also highlights the key requirements within national policy and guidance to establish supply from 'windfall' components and outlines a framework to establish whether the GLA SHLAA 2017 robustly addresses these at the outset.
- 3.9 Section 6 then further expands on the critique of the GLA SHLAA in Section 5. It presents a more detailed analysis of the SHLAA's assumptions and findings. A particular focus has been to evaluate the different approaches considered by the GLA in preparing the SHLAA and the extent to which these separately depart from past trends in development. These outcomes are also compared with the approach in earlier iterations of the SHLAA and the approach used to assess capacity and potential timescales for development on 'large sites'.
- 3.10 Given the focus on 'the modelled approach' to develop small site targets, specific attention is paid to how individual assumptions and inputs to derive the 'modelled' components of capacity appear to have been derived and applied. The section considers the robustness of these assumptions, their relationship with the context in West London, and potential implications for the reliability of future supply and wider impacts of the proposed approach. The research makes the following observations:
1. **Process:** The SHLAA considered three approaches to calculating the small sites targets. The first looked at trends over an eight year period post-recession. The second looked at trends over a twelve-year period. The third is the modelled approach and underpins Policy H2 and the borough figures in Table 4.2 of the draft London Plan.
- The third approach, involving modelling, did not appear until late-on in production of the GLA SHLAA and presented a departure from previous iterations shared with individual boroughs for comment. However, irrespective of whether boroughs were appropriately consulted or not, it is not clear whether the preferred approach was

adequacy tested as a scenario. More fundamentally, it raises a question as to whether the approach has driven policy and targets in the draft London Plan.

- 2. Deliverability:** The NPPF and associated Planning Practice Guidance confirms that where windfall comprises part of the supply of new housing, then this should be phased for later in the Plan (i.e.: years 6-15), although it can be included earlier, where there is clear evidence to support this. This responds to the availability and deliverability of particular sites and whether they represent a reasonable prospect for development. Most Local Plans review historic supply and project this forward.

The GLA SHLAA 2017 however represents a forecast, speculating on future levels of housing delivery based on a prediction of what will happen in the future. The degree of confidence in any such approach must be limited.

Indeed, we suggest that the factors affecting development that have been taken into account are not sufficiently broad (i.e. to address the suitability, availability and achievability of development), and that this represents weakness of the modelled approach. More fundamentally, this is not in accordance with the wider SHLAA methodology, national policy and guidance or standard practice to estimate windfall amounts. Furthermore, there is no reference in the SHLAA approach to the factors affecting viability, the variance between this at local level, and thus how the step-change implied in policy H2 will be delivered.

- 3. The '1%' modelling assumption:** The key independent variable for modelling outlined by the SHLAA, which does not correspond directly to draft Policy H2's provisions, is an assumption that 1% of the existing stock of houses will increase in density in areas aligning with certain locational criteria. There is no standalone justification for the use of this figure, and no alternative is offered or tested in the SHLAA. We explore this further in the Part B research report, which considers the percentage of existing dwellings that have previously come forward for development and intensification.
- 4. Local character:** The draft London Plan makes clear that the character of an area can evolve over time in response to meeting housing need and accommodating appropriate growth. However, the scale of the 'small site' targets and potential change is significant in magnitude, and will inevitably lead to some degree of conflict with other land use policies and objectives, particularly those established at the borough level.

The 'small sites' approach is thus not just about establishing whether the estimates are reliable, but also whether the cumulative impacts of the approach have been

evaluated, on, for example, the quality of place, of managing infrastructure pressures, of providing for the right type of housing, and improving the standard of development.

Section 7, 'Analysis of Small Site Modelling Assumptions'.

3.11 This section presents specific analysis of the GLA's small sites modelling assumptions used to derive the targets in Table 4.2 of the draft London Plan. This helps to understand the specific contribution each factor makes to the calculation of the overall estimate of capacity for development on small sites and introduces the potential relationship with other components of supply or factors affecting development. Key observations are:

1. **Spatial definition:** Policy H2 and the GLA 2017 SHLAA establish that the presumption in favour of small housing developments applies to those sites (1) within PTALS 3-6, or (2) those sites within 800m of a station, or (3) those sites within 800m of a town centre boundary¹. Importantly:
 - a. There is no further differentiation to the 'small sites' modelling assumptions based on differences within these criteria.
 - b. There is no breakdown, for example, of how the target might be affected by the classification of a centre within the town centre hierarchy.
 - c. There is an indistinguishable relationship in terms of how these geographic criteria lead to differentiation in the 'small sites' targets of individual boroughs and how widely (or not) individual boroughs will be required to operate these elements of the presumption in practice.

This signals the potential for more unequal outcomes in terms of the effect on existing policies, implications for decision-taking and the deliverability of targets themselves.

Spatial definition is also complex. Station and town centre buffers can and do straddle boundaries, and thus in some parts of a catchment area maybe outside the control of the borough. This is particularly important where the model creates a small site target for one borough, even though the reality is that the target has been generated based on a 'boundary blind' approach and where there is no relationship between other planning and regeneration initiatives.

¹ The presumption in favour of small sites also extends to infill development on vacant or underused sites, and the redevelopment or upward extension of flats and on-residential buildings, irrespective of location. This is understood to mean that the presumption also applies in areas with a PTAL 2 or lower, or which are further than 800m from a station or town centre.

2. **Conversion factors:** The conversion factors employed by the GLA 2017 SHLAA are of specific concern. There are multiple concerns with the data used to inform the approach. For example:
 - a. The dataset is borough-wide rather than reflecting the locational criteria in policy H2.
 - b. It includes back garden development even where existing units are not affected by proposals, thus disproportionately pushing up the conversion factor.
 - c. The data does not distinguish between existing residential unit type.
 - d. There is limited recognition of different development types, including hybrid schemes.
 - e. No consideration of schemes that might result in a net-loss of dwellings (e.g.: de-conversions).

3. **Back gardens:** Inclusion of this development type has a disproportionate effect in pushing up gross growth factors. It has little relationship with spatial criteria and ignores the fact that, in many instances, development of such opportunities will also involve the demolition or replacement of some existing dwellings, particularly where access is required. Irrespective of whether this approach has policy support or not, the net increase is likely to be lower than that estimated through the modelled approach in the GLA 2017 SHLAA.

Section 8, 'Relationship with Existing Planning Policies':

- 3.12 This section recognises the need to understand the existing policy framework for promoting and managing opportunities for development and its relationship with the proposed step-change in delivery on small sites. It illustrates how the proposed approach within draft Policy H2 would relate to existing provisions within development plan coverage and supplementary guidance in West London.

- 3.13 A key point to recognise within the position of existing policy is that provisions already vary from borough to borough and policy measures have not been static over time. There is evidence that policy has responded to changes in development trends and opportunities. It is therefore not correct to only interpret policy in terms of its effect on managing development on small sites but interrelationships with promoting other types and scales of development (including larger sites) and managing change in other land uses. Understanding existing policy and how it may change is equally relevant to assessing wider trends in development (such as through promoting growth and allocating land for development) and evaluating

potential alternatives to the approach in draft Policy H2. Key messages from this part of the research are:

- 1. *Presumption in favour:*** Existing borough development plan policies are generally supportive of new small scale development, subject to local factors relating to character and context. There is little evidence, if any, to suggest that the presumption in favour of small sites introduced in Policy H2 will in fact increase delivery of small sites, particularly as borough policies already comply with the presumption in favour of sustainable development established in the NPPF.
- 2. *Policy conflicts:*** Despite the above, there are some policies in local plans that are in conflict with Policy H2. Although proposed Minor Modifications to Policy H2 seek to clarify that potential conflicts between this and local development plan policies should be avoided, with Policy H2 taking precedence, conflicts will remain. For example, existing policy requirements that seek to retain family-sized housing in response to locally identified need, but which would be lost through proposals for intensification, could cause extensive debate during the development management process.
- 3. *Evidence:*** The level and type of development encouraged through Policy H2 departs from the evidence base used to support policies at the borough level, which are founded on a more granular understanding of local circumstances.
- 4. *Back gardens:*** Policy H2 promotes intensification within the curtilage of the house and thus within back gardens. This is contrary to policies within some existing local plan policies, which, in compliance with the NPPF, seek to resist development on back gardens. The draft London Plan should also be in conformity with the NPPF in this regard. The implication is thus that the potential scale of intensification that might be delivered on such sites is reduced.
- 5. *Deliverability:*** Opportunities to support residential development should be made through the plan-led system, identifying and allocating suitable, deliverable sites. It is for the boroughs to identify suitable sites, often at a threshold below that set in Policy H2, bringing forward land in the most appropriate locations and facilitating the entry of SMEs into the market, diversifying supply. The use of Brownfield Land Registers are also intended to bring greater clarity to the plan-led system. Furthermore, development on all sites, but particularly small sites, is affected by wider policy constraints and standards, including for example space standards and parking requirements, as well as environmental issues such as flood risk, drainage and biodiversity.
- 6. *Development Management:*** With the increasing volume of applications that must be expected as a result of the Small Sites targets, already stretched resources will be put

under pressure. Feedback from workshops with officers indicates that planning applications for small sites are typically regarded as more resource-intensive and time-consuming relative to application fees. This would indicate a need for greater efficiencies in the development management process or an increase in the quality of applications to assist with determination.

- 7. Rights to Light:** This can be a barrier to site delivery, with extensive legal issues requiring resolution and leading to cost implications associated with delays to development. Where small site development involves infill sites, intensification of back gardens or upwards extensions, Rights to Light may become a protracted issue that prevents development commencing.

- 8. Design and character:** The new NPPF provides LPAs with the scope to refuse permission for applications where they do not satisfy design criteria. This remains the case irrespective of whether the draft London Plan is adopted in its current guise or not. The draft London Plan encourages the production of design codes to facilitate delivery. But for these to be robust, and help achieve 'good growth', they must be evidenced and will take time to produce. Unacceptable impacts will remain reasons for refusal, regardless of the inclusion of Policy H2, as it does not provide clarity on what is acceptable. Furthermore, neither the GLA SHLAA 2017 nor the draft London Plan quantify or evidence the effectiveness of design codes with respect to identifying suitable sites and designs in improving the success of planning applications and increasing the speed of decision making. It is considered that this should be subject to monitoring and an early review undertaken of the effectiveness of the proposed policy approach.

Section 9, 'Assessment of Factors Affecting Capacity':

3.14 This section interprets some of the key factors underpinning the modelled approach and whether these can be relied upon as robust evidence to support the scale of delivery required through small sites. It makes the following observations:

- 1. Character:** Character is a potentially significant indicator of capacity for development, but it is important that generalised conclusions with regard to character are avoided. The SHLAA character map has neither been deployed as an input or modifier to criteria used to derive the small site targets. This represents a weakness as the model is unresponsive to local character. One of the strengths of the SHLAA Character map is that it employs the use of 'networked buffers' to more realistically reflect catchment areas. The GLA Small Sites model however uses an 'as the crow flies' distance. This is overly simplistic. This was a specific criticism of the previous SHLAA Character Map (2013) and remains so in the Small Sites model.

2. Households and Demographics: The GLA SHLAA applies a standard approach to the 1% yield rate growth assumption within existing stock which therefore means that any differences in the way the housing stock is used and occupied are not factored into the GLA model. This has a particular impact on concealed households, overcrowding and affordability, all of which are key issues within the west London context. In particular:

- a. The rate of overcrowding across west London exceeds that in other Outer London boroughs.
- b. There is a high concentration of concealed households in the west London boroughs. Indeed, five of the 'top' twenty local authorities in England and Wales with the greatest percentage of concealed families are found in the west London boroughs. Although concealed households can be used as a proxy for housing need, it also relates to ethnic and cultural differences. This again is particularly pertinent for west London, where a high proportion of the population identifies as non-white ethnic groups. The consequence is that the use and availability of the dwelling stock to contribute towards delivery of the small sites target is diminished.
- c. The increased rate of development on small sites is likely to have knock-on consequences for delivery of affordable housing, given that the starting point recognises that a significant proportion of delivery on small sites will be below the threshold for contributions towards affordable housing. This is a significant concern, as the 'public benefits' of development, such as delivery of affordable housing, will be missed. This has a knock on consequence for the delivery and viability of housing as a whole. To reach the affordable housing targets in the draft London Plan we may find ourselves in a position where nearly all affordable housing provision will need to be delivered through large sites.
- d. The proportion of dwellings within the private rented sector limit the number of properties that might potentially deliver a net gain in new dwellings through intensification. This needs to be highlighted as a response to the suburban intensification model promoted by the GLA (though 'Supurbia - semi-permissive'), which is predicated on one or more private property owners seeking to realise additional value through development. This model is incompatible with an area where a high proportion of private rented tenures exists.

- 3. *Accessibility:*** The use of PTAL is a relatively narrow measure of the quality of public transport access and the use of other sustainable transport modes. It also ignores the more nuanced pattern of movement across west London where the proportion of people who travel to work by car exceeds the London-wide and Outer-London averages. Furthermore, the application of an 'as the crow flies' buffer around all stations ignores the reality of actual accessibility levels and distances. The equal weighting given by the GLA to locations within either a PTAL 3+ area or 800m catchment of a station is thus misleading.

4. PART B: Deliverability

- 4.1 Part B of the study looks at development trends, typologies and data analysis to further interrogate the assumptions underpinning the 'small site' housing targets and whether these can be considered realistic.
- 4.2 The role of outlining and analysing the pattern and characteristics of development self-evidently make an important contribution to the assessment of housing land supply on 'small sites'. The typically accepted approach to measure opportunities for this type of development is to take account of knowledge gained from observing past trends in delivery and projecting these into the future. In the London context comprehensive data exists to inform conclusions on these trends through tools for development monitoring such as the London Development Database.
- 4.3 The findings of the Critique (Part A) reiterate the need for a comprehensive understanding of trends in the delivery of small sites over time and across different spatial contexts. Establishing how closely the proposed introduction of a presumption in favour of small housing development is likely to relate to consistent and reliable trends in delivery is key to understanding its potential effectiveness.
- 4.4 The understanding of delivery also builds upon initial concerns in the Critique (Part A) regarding outcomes in terms of sustainability (including 'good growth'), control over development standards and the role of large sites or more comprehensive regeneration. Further analysis of delivery (Part B) has also been able to capture the contribution and role of a range of different stakeholders to the development process, including direct engagement with the development industry.
- 4.5 The findings of the delivery analysis start by confirming existing knowledge of trends in development and reflect similar evidence of recorded completions provided by the GLA 2017 SHLAA. This reiterates the departure and step-change in activity sought by the proposed targets for 'small sites'.
- 4.6 Outputs from a comprehensive methodology, which has been applied to add detail to monitoring records, emphasises the significance of this departure and fundamental concerns with the use of evidence to inform draft Policy H2.
- 4.7 Examples include the way in which the GLA SHLAA 2017 has reclassified unit-level data in the London Development Database, including 'extensions' within the 'new build' development type. The failure to recognise the distinction between these types means that less weight should be placed on the findings of the GLA SHLAA 2017 in terms of providing a measure of capacity for certain types of development. It also confirms that it will not necessarily be straightforward to operate the presumption in favour of small housing developments in

practice. It also confirms that past trends represent a more realistic guide than being overly reliant on what are uncertain modelling assumptions.

- 4.8 Substantial complexity in how schemes on 'small sites' are actually delivered has been highlighted by the analysis in Part B. It should be noted that our sample data is extensive and covers a long time-series. Whilst there are some annual fluctuations in findings and some macro-level impacts of external factors, such as the recession, many of the trends in implementation rate and development timescales are consistent over time. The findings indicate a fundamental incompatibility, in terms of the reliability of supply and relationship with how development consistently occurs, with the limited evidence for a 'forecast' approach in the draft London Plan.
- 4.9 It is noted that Part BA of proposed Policy H3 (Monitoring Housing Targets) in the draft London Plan (with proposed Minor Modifications) indicates that "the relative contribution from large and small sites may fluctuate across the target period". This could be taken as providing some allowance for change in how the development process operates as well as time to allow additional capacity to be identified. Our findings strongly suggest that any such flexibility will be inadequate compared to issues with the approach to measuring capacity.
- 4.10 Fundamental differences in the 'stock' of approvals required and 'flow' of delivery achieved appear to be a sustained element of the development process on 'small sites'. These aspects are implicitly accepted (to a greater or lesser extent) in any approach projecting forward past trends, even if the degree of understanding is limited. Without clear evidence the same aspects appear fundamentally overlooked by the forecast approach to 'modelled' elements of the 'small sites' target and, as a result, can be regarded as unsound in terms of being inconsistent with national policy.
- 4.11 It is a key aspect of issues highlighted in the Critique that the constituent boroughs do not consider it robust that the focus of 'small site' modelling assumptions uses only the existing stock of houses as a measure of capacity for the forecast approach. This is not considered to represent trends in the type of site consistently becoming available. After examining the data, schemes where the existing unit type is recorded as a 'Flat, Apartment or Maisonette' are associated with a substantial proportion of scheme-level 'conversion' activity. This is most pronounced as a proportion of recorded schemes. Across West London around 37% of recorded 'conversion' schemes involve flatted property. There is variation between constituent boroughs. Generally, those closer to Inner London, with a higher existing proportion of flats and greater concentrations of 'urban' character show a higher proportion of schemes affecting flatted property. Lower proportions are recorded in boroughs towards the edge of the capital.
- 4.12 The fundamental concern arising from this finding is that the role of flatted property in the sample of 'conversion' schemes exacerbates the departure between modelled estimates of capacity for development on small sites and actual trends in delivery. The 'modelled' capacity

indicated by the GLA SHLAA 2017 excludes flats yet the delivery analysis demonstrates these are also a significant source of conversions. This highlights that the step-change required in terms of the number of non-flatted properties brought forward is in-fact greater than simply treating the 'conversion' type as a total measure of activity.

- 4.13 We have also investigated those schemes that involve a net loss of dwellings, which is not fully considered in the GLA SHLAA 2017. Through the Part A: Critique we have confirmed that, when calculating specific inputs such as gross growth factors and conversion factors, schemes resulting in a net loss of dwellings are ignored. However, where overall trends in activity are presented, schemes leading to a net loss in dwelling do not appear to be excluded. This means they are reflected to some degree in the overall picture of 8-year trends and will have some impact on the components of the 'small sites' target retaining a traditional windfall-based approach. Key issues therefore relate to the 'modelled' component.
- 4.14 Other points are also raised through the research:
- The incidence of multi-person households and HMOs is highly likely to be higher than the levels captured by planning data.
 - The 'De-conversion' and 'Change of Existing Residential Use' classifications are broad in terms of characteristics captured. The impact on existing stock may only affect smaller properties but can also include a loss of HMOs or other multi-person accommodation.
- 4.15 No specific recognition of this pressure on the use of units on 'small sites' appears to be acknowledged in the GLA 2017 SHLAA. It is our opinion that some allowance for these elements should be provided for as part of a wider understanding of how housing needs are met. This can only practically indicate downward pressure on capacity measured by the 'modelled' approach and 1% yield growth rate.
- 4.16 We have demonstrated that the value of evidence on past trends goes far beyond details of recorded completions and that a more detailed picture of the development process can be established. We have found that development with the characteristics of small 'new build' and 'conversion' typologies currently makes a limited contribution to total output. Activity as a proportion of existing dwelling stock is markedly below 1% in all constituent boroughs. Whilst trends are generally consistent over time the proportion has potentially reduced marginally in recent years. At present it appears past trends and the current supply pipeline will not achieve the targets in draft Policy H2.
- 4.17 Our findings demonstrate that adding detail to delivery patterns exposes weaknesses in the measures of capacity relied upon to inform targets for 'small sites' in the draft London Plan.

5. Research Findings & Conclusions

- 5.1 During the production of this research report the Panel of Inspectors appointed to examine the draft London Plan published their Matters for discussion at the EiP. Matter 19 asks whether the Small Sites policy and associated housing targets in Table 4.2 are justified and deliverable, and whether Policy H2 will be effective. Based on the research and analysis undertaken as part of this commission the answer to these questions is 'no'.
- 5.2 Our research and data analysis demonstrates a series of fundamental issues underpinning the approach undertaken by the GLA in the SHLAA and translation of this into the 'small site' targets and approach established in Policy H2.
- 5.3 It is the conclusion of this research that there is unlikely to be any close match between the achievability of proposed targets and actual patterns of recorded delivery.
- 5.4 In particular, we confirm that the GLA 2017 SHLAA methodology has not taken account of key factors that demonstrate the importance of assessing the 'implementation rate' of planning permissions and the timescales for development. Furthermore, the GLA's measure of capacity takes no account of the clustering of application records at certain addresses and this creates further conflict between measures of capacity and delivery. Other key conflicts with the outcomes sought by draft Policy H2 require recognition of activity outside the types of development supported, including Change of Use and sub-division of flats.
- 5.5 It is an essential component of national policy covering the identification of a 'windfall' allowance for development on unidentified sites that such examples have consistently become available and will continue to form a reliable element of supply. It is the role of any Strategic Housing Land Availability Assessment to provide robust evidence as part of the ability to substantiate such allowances. The starting point for this inevitably needs to allow for existing data to be considered.
- 5.6 The GLA 2017 SHLAA provides some understanding of past trends but principally relies on the basis of a 'forecast' approach to predict future trends and model estimates of capacity. Whilst not inappropriate in principle the Part A Critique confirms that this methodology lacks clarity and overlooks factors affecting development as well as an understanding of the wider impacts on development outcomes.
- 5.7 The Part A Critique confirms that the GLA's approach for the 'modelled' capacity for development on small sites based on the 1% annual change in the proportion of existing dwelling stock is not clearly justified: the target represents a measure of supply but not delivery. This forms the starting point to base further concerns raised through examining past delivery. The subsequent findings indicate support for an upwards adjustment from a historic baseline, but not to the extent predicted through the GLA SHLAA 2017.

- 5.8 Our findings on delivery further indicate that the approach to developing predictions based on future trends does not have sufficient regard to the comprehensive evidence presently available. This remains a requirement of national policy irrespective of whether a 'forecast' approach or projected past trends are relied upon.
- 5.9 Fundamental differences in the 'stock' of approvals required and 'flow' of delivery achieved appear to be a sustained element of the development process on 'small sites'. These aspects are implicitly accepted (to a greater or lesser extent) in any approach projecting forward past trends, even if the degree of understanding is limited. Without clear evidence the same aspects appear fundamentally overlooked by the forecast approach to 'modelled' elements of the 'small sites' target and, as a result, can be regarded as unsound in terms of being consistent with national policy.
- 5.10 A simple way to express this impact is to demonstrate how in-effect the proposed targets for 'small sites' will practically only be capable of delivery over an 8-year period. Even if sufficient supply to provide for the draft targets was approved now, realistically this would take around two years to implement and complete. It would be reasonable to conclude that in the intervening two years the level of supply will broadly follow past trends over the FY2008 to FY2015 period. This would lead to residual requirements for the period 2021/22 to 2028/29 significantly exceeding the average 10-year targets in Table 4.2 of the draft London Plan.

	GLA 2017 SHLAA APPROACH 1 (Annualised FY2008- FY2015 average)	Draft London Plan Small Sites Target (Annual)	DRAFT PLAN 2019/20 to 2028/29 (COL2 * 10)	Delivery Years 1-2 (COL1 * 2)	Residual Small Sites Target Years 3-10 (COL 3 - COL 4)	Average Small Sites Target Years 8-10 (COL5 / 8)
COLUMN NO.	1	2	3	4	5	6
Barnet	305	1204	12040	610	11430	1429
Brent	258	1023	10230	516	9714	1214
Ealing	303	1074	10740	606	10134	1267
Harrow	221	965	9650	442	9208	1151
Hillingdon	176	765	7650	352	7298	912
Hounslow	181	680	6800	362	6438	805

Table 2: Impact on increased annualised small site targets if past trends continue for the first two years of the London Plan period

- 5.11 This impact can also be expanded upon further. This is due to differences in approved supply versus actual delivery, taking account of implementation rates. It is unlikely that even if sufficient capacity is approved to deliver the small sites targets, around 30% of these schemes will not proceed to completion as a result of the first permission. For years 3-5 of the 'small sites' target period it would be prudent to conclude only 70% of the proposed target will actually be delivered. Once again, this leaves a residual requirement for the remaining five years (2024/25 to 2028/29) that significantly exceeds the 10-year average.
- 5.12 We conclude that draft Policy H2 as proposed is not based on a sufficient understanding of delivery nor of the development process. It does not provide solutions to identified barriers, nor does it necessarily correspond to the full range of opportunities available. This indicates a need for a more comprehensive assessment of alternative approaches, including the role for site identification, though this may still not deliver the step change expected by the small sites target. A step change of the scale envisaged in the draft London Plan will likely be contingent on changes and factors that sit well beyond the locus of the planning process. A key concern is that if unachievable targets are adopted at the outset, then housing need will remain unmet. This will also place a significant burden on constituent London boroughs in terms of resources and the need for evidence to actually secure opportunities for delivery on small sites, but even if resources were available, the step change will still not occur.
- 5.13 The research concludes that the approach currently proposed in the draft London Plan cannot be considered 'sound'.

6. Comparative analysis

- 6.1 Having taken into account the various findings on delivery presented in the research report we have concluded that significant weight should continue to be placed on past trends as a reliable predictor of future levels of development on small sites. However, it is acknowledged that these trends do fluctuate over time due to various factors including changes to policy and legislation, the availability of suitable opportunities and market demand. It is evident that draft Policy H2 seeks to implement a raft of potential measures to support supply on small sites that could influence trends over time. However, we have found no compelling evidence that the measure of 'capacity' used to inform the 'small sites' modelling assumption can provide any confidence in predicting future levels of development. Once factors affecting development and delivery are considered there does not appear to be any sound basis to support the starting point of a 1% yield growth rate assumption as a guide to development activity.
- 6.2 We acknowledge that there may be some merit in illustrating activity through completions as (broadly speaking) a per annum percentage of the existing net dwelling stock of an area. This is a proxy only; in truth many small site schemes will not affect existing dwellings whereas other records will exist that affect existing property but lead to a net loss of supply. Notwithstanding other significant factors around timescales and implementation, this proxy nevertheless provides some indication of a benchmark for development on small sites. It also has similar flexibility to the GLA's small sites model in terms of identifying any spatial difference in patterns of activity; and potentially allowing comparisons and future policy goals to focus on specific geographies.
- 6.3 Given the changes over space and time that we have observed as well as through considering the more detailed characteristics of development (and the overall development process) we cannot support any alternative approach that uses the SHLAA 'yield rate growth assumption' for modelling as its starting point. This has negative effects in terms of seeking to unduly suggest that certain types of small site activity are likely to occur on a much greater scale (i.e. intensification of existing dwellings) whilst simultaneously ignoring other elements that contribute to supply (e.g. subdivision of flats). It is therefore more appropriate to take a net assessment of delivery as the starting point, accepting that the precise circumstances for development on any site are varied.
- 6.4 We have attempted to use these conclusions as the starting point for a delivery-based assessment of how trends in small site development might change as a result of draft Policy H2, existing factors affecting development, and existing impacts on current trends. Inevitably, no single alternative model will ever provide a precise prediction of future activity. This is a flaw of using any 'forecast' and particularly one dealing with the complexity of development

on small sites. However, in suggesting inputs for the prediction our view is clear on a number of key points:

- 1)** There is no basis to suggest a step-change in delivery as required by the proposed small sites targets starting from the FY2019 monitoring year (1 April 2019 to 31 March 2020), which fundamentally undermines the achievability of the ten-year targets themselves.
- 2)** A 'policy-led shift', that reflects a progressive stepped approach, is likely to be more robust, using measures close to existing trends as the starting point.
- 3)** It may, however, be relevant to take account of the existing pipeline of committed supply and any recent higher rates of development on small sites (although for matters such as Permitted Development Rights these may not necessarily be encouraged by future policy).
- 4)** Any assumptions affecting different development types or scale will be broad in nature and the reasons for suggesting an evolution in trends may not necessarily compare closely with existing activity (i.e. there is no specific link as to why increased activity through conversion will occur to follow recent increases in development through Change of Use).
- 5)** It is therefore the case that where such predictions are applied, timescales are sufficiently long and robust to allow for future change in policy and the introduction of incentives for development.
- 6)** It is also not necessarily the case that any increased forecast of supply should be spatially constrained by the 'small site' modelling assumptions. For example, current levels of activity outside of 800m Town Centre and Station buffers might at least be expected to remain part of trends in development with some scope for greater intensification, although it may be appropriate to envisage a lower level of uplift.
- 7)** Our prediction does indicate potential uplifts in activity on small sites as a result of the evidence to support draft Policy H2 and other initiatives to support housing delivery, but for some types of activity rates of development could fluctuate down as well as up. Ultimately though, these uplifts are considerably less than those currently forecast in the GLA SHLAA 2017.

6.5 The detailed Annex sitting alongside the main Part B report provides evidence of various specific calculations used to model alternative scenarios taking account of past trends. The results suggest some basis to take account of higher levels of development based on certain trends and anticipate a stepped approach to the application and development of policy in other areas. This is simply one example, whilst the actual rate of small site development will

require careful monitoring and review and the uplift in activity is likely to remain highly challenging for all stakeholders. Nevertheless, even with these delivery-led adjustments to acknowledge existing trends and forecast potential increases in future rates of intensification the estimates of development per annum are significantly below those generated by the GLA's own methodology.

Borough	DRAFT PLAN			ALTERNATIVE SCENARIO – ‘Policy-Led Shift’				
	GLA 2017 SHLAA Approach A (8 yr windfall approach)	Draft London Plan Small Sites Target Annualised Average	Draft London Plan Small Sites Target Ten-year Target	Years 1-3 (3 years) Annualised Average	Years 4-7 (4 years) Annualised Average	Years 8-10 (3 years) Annualised Average	Overall alternative ten-year target	Alternative target annualised
Barnet	3050	1204	12040	429	557	727	5697	570
Brent	2580	1023	10230	307	350	469	3727	373
Ealing	3030	1074	10740	432	543	634	5369	537
Harrow	2210	965	9650	345	415	484	4146	415
Hillingdon	1760	765	7650	242	339	395	3266	327
Hounslow	1810	680	6800	317	407	415	3821	382

Table 3: Comparison of resulting potential 10-year targets based on alternative approach to small sites



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