## LEADERS

## It's a whole new context

Just as the Intergovernmental Panel on Climate Change announced a 'now or never' moment in the dash to a low carbon economy and society, our energy bills went through the roof, for all the reasons we know about, causing a significant surge in the rising tide of inflation eroding our ability to pay for anything.

Hitch that to a changing demographic produced by an ageing population, reducing birth rates, less inward migration, and the levelling-up agenda diverting investment up north, our ability to actually focus on mitigating climate change in the capital becomes even more challenging.

The point is that the 'context' of London in its widest sense, post-Brexit, post-pandemic, and possibly postglobalisation as the world divides into uncooperative and sanction-minded democratic and autocratic camps, is likely to be radically different from the previous four decades. We may be looking at a significant 'postgrowth' deflationary era for London once we've assimilated what happened in the pandemic.

London's citizens will have less disposable money. Residential and commercial rents are likely to stabilise and fall, and as interest rates rise, the capital value of assets will also fall. The rest of the country has seen continuing house price rises, those in the capital, particularly in the centre, have seen reductions or little growth, although in London's suburbs, prices increased during the pandemic, implying a future redistribution of activity.

While supply of new affordable housing is still insufficient in London, rising interest rates will nevertheless reduce demand, because these hack at the key driver of prices – people's desire and ability to borrow and pay more for homes.

Some of this new economic and environmental context will be welcome. We must ameliorate climate change, whatever the cost. Stabilised or diminishing housing costs in terms of rents and prices will be welcomed by an increasing proportion of the younger population who have been excluded from home ownership and renting in more central areas. And, who knows, increasing levels of supply may actually begin to reduce prices.

What sort of things should London's planning system be addressing in this new context? Long-term London's success is dependent on its environment. The Mayor's London Environment Strategy of May 2018 still makes sense. Whether all 33 boroughs' environmental policies seek strict delivery of its ambitions in individual planning applications, in urban design, architectural and building performance terms is more difficult to measure. More clarity and definition is perhaps required of applicants.

The more homes that can be built, the better London will preserve and grow its economic drivers. The more flexible we can be about permitting different uses to occupy land and buildings, the more they will attract economic activity to sustain social and economic goals. London's planning has to become better at identifying trends and accommodating them in a more testing global economic context.

Assuming of course we manage to avoid Mutually Assured Destruction..

## Getting serious about carbon reduction

It has been a curious fact that despite the climate change debate and the commitments to net zero construction and development, there has been virtually no formal attempt to monitor or analyse planning applications in respect of these matters, except in the sense that they need to meet Building Regulations. Indeed, there seems to have been an assumption that the planning system as a whole, and individual officers, have the skills and authority to magically enforce COP targets and the provisions in the UK of the Climate Change Act.

Long-term London's success is dependent on its environment

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But is it reasonable to blame planning and planners for failures to date? No. Under-funded, understaffed and under-appreciated, this was never going to be a task which could be taken on board, using existing resources to address what are complex and challenging issues. Moreover, it is doubtful whether it should be planners who are tasked with carbon and other environmental assessments, never having been trained to do so. It would make far more sense to make this the province of building control, and to fund as necessary the assessment programme.

However, there is another side to carbon reduction strategies which is the potential innovation and creativity that they may trigger – in other words it is not just about leaping yet another hurdle in the way of planning permissions, but seizing an opportunity to launch proactive initiatives to help both applicants through the process, and to generate interest and enthusiasm for the programmes on the part of the wider public.

The City of London is taking a very positive lead here, with the creation of its 'Skills for a Sustainable Skyline Taskforce' which will look at 'defining and addressing skills gaps around the construction, retrofit and maintenance of low-carbon commercial buildings in Central London boroughs'. All power to its elbow.

It is worth remembering that London's transformational planning and development programmes, historically, were largely triggered by disease, fire, pollution and war. Unfortunately that is still the case, but we can add the additional catastrophic element of climate change to an unhappy mix. If there is any sort of silver lining in this heavy cloud, it is the fact that decisions taken under intense pressure have worked. We worked out how to deal with fire (a lesson we are, alas, having to re-learn); we embanked the Thames to fight cholera; we introduced the Clean Air Acts; and nationally we reduced carbon emissions by 50 per cent in recent decades even though the economy doubled in size.

London may be able to respond to crisis as it has in the past, by pursuing positive change rather than becoming cynical and defeatist.

## What now for the CaMKoX Arc

This is an opportunity to dust off the still extant New Towns Act 2015 and form a 'Strategic Development Corporation' A government decision to shelve a strategic plan to create a British rival to Silicon Valley connecting Oxford and Cambridge risks costing the UK economy £50bn. In October 2018, the government response to a 2016 National Infrastructure Commission report supported the ambition to build up to one million homes by 2050 to maximize the economic growth of the Arc. They announced significant funding for both east–west rail and the expressway, and indicated future commitments to local partners, including universities, and to the appointment of an independent business chair for the Arc, and a ministerial champion to 'facilitate co-ordination across Whitehall'.

In March 2019, the MHCLG released a report titled *Oxford–Cambridge Arc: Government Ambition and Joint Declaration between Government and Local Partners*. This announced the establishment of the Arc Leaders Group (ALG), comprising local authorities, LEPs, EEH and 10 universities. It emphasizes the role of housing delivery in realizing the economic potential of the Arc, and four thematic areas to do this: productivity, place-making, connectivity and the environment. "The potential development of the Arc resonates strongly with stated commitments by the government towards infrastructure development, science-based growth, support for research and development, design and place-making, and accelerated housing delivery" says Professor Dave Valler of Oxford Brookes. The levelling up department says it recognises "the importance of the Oxford-Cambridge Arc as a globally renowned hub of innovation" and is due to publish the results of an October 2021 consultation on delivering an overarching planning framework for the project "in due course".

The question was raised with Joanna Averley, chief planning officer, at the recent Planning Update conference *[see our full report]*. Asked was this change of heart a sign of 'levelling down' in the SE, she advised we 'watch this space'. There has been local opposition to the housebuilding ambition of the concept partly the result of lack of local engagement and poor presentation. Nick Raynsford for the TCPA comments: "because the overall process lacks clear legal definition or statutory underpinning, there is no effective participation or governance framework" which leads to a strong public response.

This is an opportunity to dust off the still extant New Towns Act 2015 and form a 'Strategic Development Corporation' by tweaking it and defining the site, which embraces 17 local authorities. It will need powers to acquire land at EUV, and call-in planning powers for planning applications affecting its own strategic policies. The LPAs will be represented on the Corporation and, like the new towns, will be given a 25 year deadline and powers to deliver.

How to finance it? Homes England is sitting on millions in profits inherited from the new towns. This can be used to fund the infrastructure and the land acquisition. Devolution, levelling-up and strategic spatial planning.